SENATE—*Wednesday, March 31, 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 PATTY MURRAY, a Senator from the State of Washington.

The PRESIDING OFFICER. Today's prayer will be offered by the guest chaplain, the Reverend Dr. Calvin Phelps, from the First Baptist Church, Winnfield, LA.

PRAYER

The guest chaplain, the Reverend Dr. Calvin Phelps, First Baptist Church, Winnfield, LA, offered the following prayer:

Let us pray:

Almighty God our Heavenly Father, having gathered from the diversity of geography, culture, religion, and race, we bow before You in the humble acknowledgment that it is "the Lord who has made us and not we ourselves." "There is none beside You," and in all the Earth You have created none quite like us.

I thank You for this distinguished body. Grant to each of these, as to our President, the courage of uncompromising integrity, unquestioned commitment to honest conviction, unqualified allegiance to the common good, unrelenting concern for the hopeless, unusual compassion for the helpless, unmitigating opposition to injustice, unexcelled devotion to service, unselfish loyalty to colleagues, unimpeded vision for a greater America, and an uncommon wisdom and insight in the exercise of their awesome responsibilities.

And to each grant an indomitable vitality of mind and body that such men and women may be used of You to bring about a better nation and a safer world—a world in which the peace and righteousness of God will rule until that day envisioned by the prophet who wrote:

"Nation will not lift up sword against nation,
And never again will they learn war."

To the praise and glory of God. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 31, 1993.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

Mrs. MURRAY 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.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Chair, in her capacity as a Senator from the State of Washington, suggests the absence of a quorum.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The Senator from Wisconsin, under the previous order, is recognized to speak for up to 10 minutes.

END THE ARMS EMBARGO

Mr. FEINGOLD. Madam President, our primary focus this week and throughout the year, I expect, will be the budget, the economy, stimulating the economy, and especially reducing the Federal deficit. I do expect to rise on the Senate floor more often to talk about those issues than the issues I want to speak about today. But the subject I want to talk about today must be addressed, and that is the need to lift the United Nations arms embargo on the Republic of Bosnia and Herzegovina.

Since being sworn in, I have sought on several occasions to raise this issue before the Senate Foreign Relations Committee and to the administration as a significant action that the United States and the United Nations can and should take. I think there are several goals that we have in trying to lift the arms embargo. One very important goal is to deter further Serbian aggression in the region. Another, closely related, is to finally allow for some protection of the right of Bosnian self-defense. And finally, yes, even though this does involve lifting an arms embargo, this is one way I believe we can actually promote the peace process in former Yugoslavia.

For these reasons I recently introduced Senate Resolution 79, which calls for the United States to work with the U.N. Security Council members, to lift the arms embargo.

This is a little ironic for me, as I am no fan of armament sales in general and hope to act on many occasions in this body to try to slow or stop armament sales when appropriate. Too often U.S. foreign policy has turned first to military aid rather than to humanitarian, economic, or even political assistance. So I do not take this position lightly. But after months of discussions and reading press accounts, I believe lifting the arms embargo for Bosnia is the next step the United States should take for both moral and pragmatic reasons. Of course, more arms can mean more deaths, more injuries, and more property damage in any situation, and I cannot guarantee that will not happen here. But this is a unique situation.

Let me mention four reasons why I think we should act to lift the arms embargo. First, I believe any nation has the right of self-defense. This is guaranteed in article 51 of the U.N. Charter. The United States and the United Nations has recognized the Republic of Bosnia and Herzegovina as a country. But when it comes to the fundamental right of self-defense we have done just the opposite—rather, we imposed an arms embargo. And what has been the result? The Bosnians lack arms and the Serbians have access to virtually the entire stockpile of arms of former Yugoslavia. This was once the fifth largest Army in Europe. The results are all too well known: 130,000 people murdered, some 20,000 rapes, repeated acts of so-called ethnic cleansing, and the specter of genocide arising in Europe once again.

Where is our moral outrage, of "never again," at such atrocities? Let us be clear, this is not a civil war. This is a battle between sovereign nations, the Republic of Bosnia and Herzegovina

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

and Serbia-Montenegro. But one side is forced to hold out their hands to the sky for food and medicine, and what happens? That is exactly where the Serbians choose to go, knowing the people about to receive the food and the medicine cannot defend themselves and protect the supplies they are being given. Each day the press reports confirm this unfair denial of the right of self-defense and the consequent constant invitation for more Serbian aggression. I am sorry to say this is even more clearly reflected in the latest report in today's Washington Post. The headline is troubling, "Serbian People, Politicians Scoff at West's Threats to Tighten Sanctions."

In the article it is noted that President Milosevic has benefited enormously from the fact that Western leaders, while condemning Bosnian Serb attacks upon civilians, according to the article, have refused so far to use force to halt them.

Rather than supply weapons to the outgunned Bosnians or intervene against the Serbs, the Western powers have chosen to apply economic sanctions and to deliver foods to the hundreds of thousands of war victims.

One of the editors said in the article:

Everybody sees the United Nations and the United States as a paper tiger that roars loudly but does nothing.

This same article in today's Post concludes with this observation. It says:

Many diplomats and analysts agree that Serb behavior in Bosnia will change only in the face of military defeat or the threat of it. With Western military intervention ruled out for now, they say the only other measure that might have a palpable effect is lifting an international arms embargo that has kept weapons from the outgunned Bosnians.

I think perhaps my feelings about lifting the arms embargo from the point of view of self-defense have been said best by a Bosnian leader himself. The foreign minister, Haris Silajdzic, has stated "If the Serb's aggression continues we prefer military help over food for dead people."

He has also said that, "The aggression, plus the arms embargo in Bosnia, plus the nondeliverance of aid means death to Bosnia."

And finally, in Mr. Silajdzic's most compelling statement, he has said:

We would prefer doing it ourselves, but for that we need arms. The arms embargo is what is humiliating. The humiliation is to be slaughtered like an animal and not be able to defend yourself like a man.

So, Madam President, I see the right of self-defense as the most important and morally compelling reason to lift the arms embargo.

There are other reasons as well. These have been highlighted by recent events. I think it is in the interest of America and in the interest of American lives to lift the arms embargo. I am talking here about assisting Bosnian self-defense rather than turning to the alternative of sending American troops.

I think I, along with most Americans, feel that American ground troops could potentially be involved in an even greater quagmire in former Yugoslavia than we were in Vietnam. Too many people think the alternatives are to do nothing or send our troops there. There is another way. I look to the example of the State of Israel which has always said: Do not send American troops to defend Israel. Give us the arms and the help so we can defend ourselves. That is a proud tradition of Israel. But I want to tell you something, it is a proud feeling of every nation and Bosnia is such a nation that wants the right to defend itself.

Much like the enforcement of a no-fly zone, which we are now pursuing as an alternative, there are ways to curb Serbian aggression without having American troops sent to the region. In this regard, I warmly welcome the remarks of the distinguished senior Senator from Georgia [Mr. NUNN] which he made last week on "Meet the Press." Senator NUNN'S statement was with regard to the issue of lifting the arms embargo for Bosnia:

Ever since Vietnam, we have taken the position that the first thing we are going to do for people who are in trouble and being brutalized militarily is that we are going to help them help themselves. We are going to, first of all, furnish them arms, and the last thing we are going to do is to put U.S. troops on the ground.

Senator NUNN said, "That has been our policy now for some 30 years."

I think this is an important remark by a very distinguished Senator who is a leader on issues of foreign policy and defense, and I think they will be helpful.

Madam President, I offer a third reason, even beyond self-defense and beyond the desire to find an alternative to direct American troop intervention. And that reason is that I believe lifting the arms embargo will promote a just and expeditious conclusion of the peace process. Some say no. Some say you cannot do it because it might upset the so-called Vance-Owen peace plan but, in effect, the current Vance-Owen peace plan is the same peace plan that we called appeasement to aggressors just some 7 or 8 weeks ago.

I think the agreement as it now stands is in large part a ratification of Serbian aggression. Much of it is peace by the surrender of sovereign Bosnian territory. But the news last week was bittersweet news: That Bosnians have agreed to sign this map, but with the understanding, according to President Izetbegovic, that the arms embargo, or the United States will at least make its best efforts to lift the arms embargo. There is some question as to what the administration agreed to. If we did agree to lift the arms embargo or proceed in that direction, we should do it and we should do it now. And if we did not make that agreement with the President of Bosnia, we should have.

But the key is that the Bosnians are ready, despite the tragedy of this compromise, to make peace, but the Serbs are the only ones who have not signed. The Serbians are still the only ones to not put their name on it.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator's time has expired.

Mr. FEINGOLD. I ask unanimous consent for 2 additional minutes.

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

Mr. FEINGOLD. Madam President, the Serbians still have not signed and that is because they believe they can go forward with this aggression knowing that they will not be forced to make compromises at the negotiating table.

Finally, Madam President, I want to make the point that lifting the arms embargo is an important step to effectively enforce the peace plan if it ever happens. What is going to happen if we have a real peace agreement? Are we going to send American troops in there to defend the area or are you going to take the opportunity to arm the Bosnians so they can defend themselves? I do not think we should get into the business of policing the entire world, and we have noticed many times that the Serbians have violated the agreements for the cease-fires. So I believe it is only through a balance of power that this can occur.

Madam President, to conclude, I wish to commend our administration for its action, for actively reviewing the arms embargo option. It has been a vast improvement over the previous administration. The major concern here apparently is our allies; that they do not want the arms embargo lifted. But let me remind you that we have acted and put our soldiers in harm's way many times. Think of Somalia or Kuwait in recent years, and this is Europe. This is their theater, and they have a role in helping us solve this problem.

The United Nations, the United States, and Europe had a significant role in creating the imbalance, and we now must redress this problem.

So to conclude, I urge the Clinton administration to continue its good work in this area and now take the next step, and that is to endeavor to convince the Security Council to lift the arms embargo. Thank you, and I yield the floor.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair recognizes the Senator from Alaska for up to 20 minutes.

DISTINGUISHED PHYSICIAN PROGRAM

Mr. MURKOWSKI. Madam President, a few weeks ago I wrote to the new

Secretary of Veterans Affairs, Jesse Brown, about the VA's Under Secretary for Health, Dr. James Holsinger, who was under an order to leave office from the Secretary and become a so-called VA distinguished physician with a salary of $160,000 per year. This sends an incorrect message to our structure and the veterans, as a whole, at a time when we are searching for budget austerity. I was very pleased the Secretary responded favorably and announced that Dr. Holsinger would remain as Under Secretary until the selection process for a new Secretary was complete.

He also said he would examine the VA's Distinguished Physicians Program. Madam President, I would like to inform you today that the VA has not yet responded to my request about the program, and I want to share with my colleagues this program in some detail.

I question, as the ranking minority member of the Veterans' Committee, whether veterans receive a tangible return for the resources that are invested in this program. This is a program that provides salaries of $100,000 to $160,000 per year to some 12 to 14 physicians. I think it is important the record should note what these doctors are required to accomplish in this so-called distinguished physicians' position as they take an advisory-capacity type of retirement.

I am informed that they need only to, one, make themselves available for occasional speeches, attend some two meetings a year in Washington, and submit an annual report to the department.

As a consequence, Madam President, one questions the necessity of this program. Does the program reward VA clinicians for treating veterans? No, distinguished physicians are not normally VA employees prior to their appointment.

Is the program designed to recruit the brightest and best doctors to the service of veterans? No, there is no evidence that VA sets veteran-based goals for the program. In fact, the VA provides little or no direction at all.

If veterans have derived any benefit from the millions of dollars committed to this program it has been simply a coincidence. My mail room grows under the weight of letters from veterans seeking improved VA health care. America's veterans service organizations have made VA health care a high priority.

The common theme in letters and testimony is the need for additional resources.

The double burden of Federal debt and the deficit limit the resources available to us to meet the demand for improved VA health care. Such an environment imposes a double mission on the members of this body.

First, we must create the most cost-effective path to the goal we all seek, and that is quality health care for veterans.

Second, we must ensure every dollar we entrust to the VA delivers a real service to our veterans.

Madam President, I do not believe the VA Distinguished Physicians Program meets either of these standards.

In an era when the VA health care system is stretched to the limit, the distinguished physicians program is an unaffordable luxury.

Legislation to eliminate this program would redirect scarce resources to the care of our veterans, and I intend to offer such legislation.

On a related issue, we must also look at the pay levels of nonpracticing VA physicians. In addition to the Under Secretary for Health, who is paid $182,000 per year, VA Central Office has 29 doctors, including 1 dentist, paid more than other Federal Under Secretaries. Their pay ranges from $117,000 to $173,000. The extra pay is called responsibility pay, even though it is available only to doctors, doctors who are administrators, doctors who perform no clinical duties.

In comparison, Dr. Louis Sullivan, the former Secretary of Health and Human Services, a position with very heavy responsibilities, received only $143,800, the pay rate for the Secretary. Secretary Sullivan received no responsibility pay, although he holds an MD degree. The salary of the Veterans Affairs Secretary Jesse Brown, also at $143,800 is less than the pay of 18 nonclinical VA officials. The pay of these 18 doctors, who perform administrative duties, is inflated because they receive physician bonuses even though they do not practice medicine. In fact, the only Federal official that earned more than Dr. James Holsinger, VA's current Under Secretary of Health, and his deputy, Dr. John Farrar, is our President, President Clinton.

VA's Under Secretary for Health and his deputy each receive more pay than the Chief Justice of the Supreme Court and the Vice President of the United States.

What do the recipients do to earn their increased salaries? No more than other Federal leaders with comparable responsibilities. Are the higher salaries needed to attract good people to Federal service? I think not. Most VA Central Office doctors came from within the department. Other Federal departments, like the National Institutes of Health or the Public Health Service, attract capable physician leadership without these pay levels. Are the higher salaries needed to reward outstanding achievement? No, I do not think so. There is already a mechanism such as bonus payments and exceptional service awards to reward good work within the Government. We should not, and it is not necessary that we go beyond that point.

Again, I would ask, Madam President, can the VA afford these pay scales for nonpracticing doctors in an era of unprecedented budget pressures? I believe the answer is no.

Madam President, the issues I have raised this morning are only a few of the issues facing the Department of Veterans' Affairs. It is my intent to make constructive suggestions. I think it is time that the VA looked at its own house from the standpoint of increased efficiencies and reducing costs so we can provide a better medical service and benefits for our veterans.

Over the course of the year, I will be bringing a series of issues before this body in order to ensure that America's veterans receive the maximum benefit from the dollars we commit to their service.

I thank the Chair.

Madam President, may I inquire of the time I have remaining under my special order?

The ACTING PRESIDENT pro tempore. The Senator has 13 minutes remaining.

Mr. MURKOWSKI. I thank the Chair.

THE APRIL SUMMIT

Mr. MURKOWSKI. Madam President and Members of this body, on April 4, President Clinton will hold his first summit meeting with Russian President Boris Yeltsin, in Vancouver, BC. I think we are all in agreement that this is a critical meeting for Boris Yeltsin, who continues to find himself fighting crucial battles at home, battles whose outcome could determine the fate of the Russian democratic effort and the economic reforms underway.

It is, of course, imperative that the United States continue to support these democratic reforms. The long-term price of standing by idly while Russia fights for its life is one that we cannot afford. However, we too are facing some difficult times here in our own country—ballooning budget deficits, a weak economy, and American citizens who want their interests to come first and not the interests of U.S. foreign policy.

While the administration examines the amount of aid that might be available to the former Soviet Union in this time of crisis, I think it is fair that we send a message to our Russian friends that they might recognize their has already been established an avenue for acquiring hard currency and building a strong foundation for its economic and democratic reforms, and that is to encourage investment by American companies. Commercial interests are poised and willing to move forward under a favorable investment climate if that favorable investment climate is consistent. This is particularly true, Madam President, in the field of energy development, a field which could lead to a healthy infusion of hard currency and fuel economic reforms.

It is no secret, Madam President, the former Soviet Union is luckier than

most areas with evolving economies. Like my State of Alaska, it is blessed with vast natural resources. Proven oil and gas reserves in the former Soviet Union are twice those of the United States. However, oil production has fallen by well over 25 percent since 1988, from a high of 12.5 million barrels of oil a day in 1988 down to less than 9 million barrels of oil by the end of 1992. The value of that lost production could offset about half of the former Soviet Union's current foreign debt of approximately $80 billion. However, without the assistance of Western energy companies and their know-how, the former Soviet Union's energy output will continue to decline leading to a decay of its most important source of hard currency.

In a recent interview, Russian Fuel and Energy Minister Yuri Shafranik warned that the Russian crude oil exports may be completely exhausted by 1994 unless urgent measures are taken to stem declining oil production. However, little has been done to create the necessary business climate to promote investment by American energy companies in Russia. In fact, it appears that all projects to date have had to face overwhelming obstacles, obstacles which could ultimately lead to an exodus of American energy interests from Russia entirely.

One of the largest proposed projects in Russia today is the development of energy resources offshore Sakhalin Island in the Russian Far East, an area that is served to some extent by Alaska and Alaska's transportation capabilities.

An American-Japanese-European con sortium of five companies—Marathon Oil, McDermott, Mitsui, Mitsu bishi, and Royal Dutch/Shell—recently submitted a $75 million feasibility study for the project to the Russian Government. While an important stage has been reached for the consortium, the project's history has not been without its ups and downs—last-minute changes in rules, lack of a legal and investment framework in which to operate, and an uncertainty as to who is in charge. And as Russian committees continue to review the study, one cannot help but worry that the Sakhalin project could go the same way as others.

Philbro's White Nights project is near bankruptcy, and Conoco, after investing 2 years' worth of time and money for a feasibility study for development of energy offshore Barents Sea, saw the project unexpectedly awarded to a 100-percent Russian entity at the last minute. The consortium on Sakhalin waits, hoping that perhaps it will be lucky enough to break the code and finally have a major project move forward. The project promises not only hard currency injection into the Russian economy but also opportunities for employment, production of much needed natural gas to the Russian Far East, and conversion of industrial military complexes currently sitting stagnant and nonproductive into useful economic engines.

I would urge our President as he prepares to sit down with President Yeltsin and talk about additional American aid that the time is ripe to ask the Government of Russia to show good faith by promoting realistic and timely American investments in these important energy projects—break the logjam of these projects and move forward. There is no reason Russia must sell arms to hostile countries to get hard currency when such a wealth of natural resources is within its command.

If we do not use the summit as an opportunity to encourage President Yeltsin to remove obstacles to the American private sector, we are failing not only Russia but also our own economic and national security as well. We are, by fate of history, tied closely together. One country cannot do well while the other fails. A strong American-Russian economic partnership will enhance both our nations and assure peaceful cooperation for generations to come.

Madam President, I have one other statement. May I inquire of the remaining time I have?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes and 55 seconds remaining.

Mr. MURKOWSKI. I thank the Chair.

RISING HEALTH CARE COSTS

Mr. MURKOWSKI. Madam President, we are all concerned about the matter of health care costs rising in this country and particularly health care costs associated with the Veterans' Administration requirement to provide those who gave so much for our Nation so we could enjoy the freedoms that we have and give them the quality of health care that they are entitled to.

HEALTH CARE

Mr. MURKOWKSI. Madam President, we must now address the future requirements of the VA with regard to health care. I think we have to first of all recognize that health care is expensive, and the reality is that the needs of our veterans are changing as they grow older and require care. At the same time, we must accept the responsibility for those veterans coming out of the service as a consequence of reduction of our military and the end of Desert Storm. Thus we must provide a vast expanse of services across a broad age group of veterans.

But the concern that we have here is how to responsibly address this problem. And we are facing a time when we are reviewing all our health care capabilities and trying to meld in, if you will, the Indian Health Service, the Department of Defense, and the VA. And it is going to take an analysis and a great deal of soul searching to determine what the exposures are associated with this giant reform of health care, and what kind of a system ultimately we are going to have.

The question of the VA's adequacy in establishing its costs is dependent on different interpretations. Statements have been made from time to time by the VA and the Secretary asserting that the cost of VA care today is 16 to 22 percent below private hospital costs.

I directed a letter, Madam President, to Secretary Brown, dated March 8, which I ask to have printed in the RECORD at this time.

There being on objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, March 8, 1993.

Hon. JESSE BROWN,
Secretary of Veterans' Affairs, Department of Veterans Affairs, Washington, DC.

DEAR MR. SECRETARY: I am writing you about VA cost-of-care comments attributed to you in a March 6, 1993 Washington Post article. I need clarification and additional information.

In the article (page A4), "Expanded VA Care System Proposed," you reportedly alluded to "* * * tremendous cost savings * * *." that would accrue from a future VA system that cares for veterans whom it does not serve currently. As Ranking Minority Member of this Committee, I know that I am representing other Members in suggesting that we, too, are interested in health-care cost savings, both in VA programs and in the larger health-care system. In this regard, over the years both Committees on Veterans' Affairs and on Appropriations have shown a continuing curiosity about the cost of VA care, compared to similar services provided to veterans and non-veterans by private-sector facilities.

The article quotes you in stating that VA's cost of care is "* * * 16 percent to 22 percent below private hospitals['] * * *." The article also states that VA studies demonstrate this VA cost advantage.

To my knowledge, the last official VA cost-comparison study was published in 1986 as a DM&S Circular. That study—the results of which were reviewed by this Committee and our House counterpart, the Congressional Office of Technology Assessment, the General Accounting Office and several university health-services researchers and other consultants in health-care costing methodology—concluded that VA inpatient costs were generally comparable to costs of care for a similar case-mix in other hospital settings. Thus, the study did not document a clear VA cost-advantage.

VA's 1986 cost-comparison excluded VA long-stay patients in every level of inpatient care (including all patients hospitalized over thirty days as well as all VA Intermediate Medicine patients and nursing-home residents), outpatients and all VA mental-health programs. The conclusions of the study were generally viewed as reasonable, but VA's analysis was criticized by some reviewers. Those criticisms dealt mostly with insufficient accounting for VA capital costs, unfunded VA employee benefits costs (particu-

larly unfunded retirement), indirect health-care costs such as VA Central Office administrative expenses (in the MAMOE and GOE accounts) and long-term Federal debt.

More recently, I am aware that VA's Inspector General compared patient-care costs and outcomes of so-called matched pairs of VA medical centers and their university affiliates, in a July 1992 effort. The findings of that study do show a cost differential in these 15 pairs, which the IG concluded may relate to lower staffing in VA facilities combined with an absence of VA billing and collection activities. The IG stated that this report is not generalizable to the entirety of the VA system.

In order that I may become informed and, in turn, inform other interested Members and Committees of your new cost-comparison studies, I request that you provide to me documentation of the studies that led you to conclude that VA care is substantially less costly than similar care to a similar patient population in the private sector. I am particularly interested in those cost elements that were included (and excluded from) the data for comparison and the rationale supporting decisions to include or exclude such data; how the comparison was performed against other data bases; how case-mix comparability was achieved; the degree to which the results of the studies were subjected to scrutiny by independent reviewers, as well as reports of such independent critiques.

As noted in our Committee's first health-care hearing last Friday, cost-comparison information could become a key variable in policy decisions this year on health-care eligibility and VA system reforms. I therefore request you report on this matter as soon as possible.

As always, I thank you for cooperating with the Committee in providing timely information about VA health-care programs.

Sincerely,

FRANK H. MURKOWSKI,
Ranking Minority Member.

Mr. MURKOWSKI. Madam President, as we address what true costs are, I think we have to recognize that as far as the VA is concerned, we have no current study that is generally considered authoritative and reliable to the extent that it would support the assertion that VA health care costs are below those existing in the private sector.

Personally, I hope that such data is developed, and that we will have an opportunity to make it public, because it is absolutely mandatory that we know what our costs are as we relate to the changing role of the VA as it fits into the national health care reform scheme.

In this regard, I encourage the VA to address an evaluation of the health care costs from the qualified group in the VA, experts who can specifically answer the questions relative to what the VA costs are.

Madam President, my good friend, VA Secretary Jesse Brown, has been in the press recently, having given interviews to the Associated Press, the Washington Post, the AHA News and perhaps others as well, on his intentions for VA's role in national health care reform.

I ask unanimous consent that two of these recent articles be made a part of the RECORD and appear at this point in my remarks.

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

[From the Washington Post, Mar. 6, 1993.]

EXPANDED VA CARE SYSTEM PROPOSED

(By Bill McAllister)

The new head of the Department of Veterans Affairs is touting an idea that could endear him to the nation's 26 million veterans: he wants the government dramatically to expand the VA's health care system.

Coming at a time when the Clinton administration is talking about streamlining government, VA Secretary Jesse Brown may seem to be out of step.

But Brown argues that his plan is "consistent with the president's vision" for a new health care system and would "not bankrupt the system." Indeed, the new secretary said his plan, which he has laid before the White House task force on health care, may save taxpayers money.

Brown's proposal calls for giving the estimated 23 million veterans who do not use VA hospitals a chance to "buy into" the VA health care system using either private insurance funds or the federal government's Medicare and Medicaid funds.

Assuming enough veterans signed up, that approach not only could cure the chronic funding problems facing the VA's 171 hospitals, Brown said, but it could also help the White House get a handle on soaring medical costs.

Citing VA studies showing that system can provide medical care at costs at 16 percent to 22 percent below private hospitals, Brown said in an interview this week that "tremendous cost savings" argues strongly that the VA health care system should become "a laboratory" for health care reform.

Brown's plan, similar to proposals long advocated by veterans service organizations, poses a major policy question for the White House. Will Clinton and Congress allow the VA to use Medicare and Medicaid funds and allow the VA to treat veterans who do not currently qualify for VA health care?

That concept has been shot down by Congress and the Office of Management and Budget in the past. But with the White House committed to controlling medical costs, Brown said this may be his "window of opportunity" to change the VA health care system. "It just makes good business sense," Brown said of his proposal.

The new secretary, a 48-year-old combat-injured Marine who was executive director of the Disabled American Veterans Washington office, has no commitment from the White House or its health care task force on the issue. Brown is a member of the task force headed by First Lady Hillary Rodham Clinton.

But Brown has been allowed to argue freely for expansion at a time most federal agencies are downsizing, a sign veterans organizations find encouraging. John Hanson, a health care specialist for the American Legion, said his group, the largest veterans organization, is delighted. "He sounded like he was reciting our plan," Hanson said.

Hanson said Brown's efforts could determine whether "the VA can be a health care player" or will "wither" into a smaller system of nursing homes and specialized hospitals, the direction things appeared to be taking under President George Bush.

Brown said he has no cost figures on his proposal but the VA staff is now "fact-finding." Some VA officials estimate that Brown's proposal might double the number of veterans treated at the hospitals.

Brown said most VA patients now have service-connected ailments or are considered too poor to afford private care. A confusing patchwork of regulations determines which veterans can be treated, Brown said.

Brown said VA hospitals are underfunded and understaffed. Consequently, "We are turning veterans away," he said.

At the same time Brown preaches health care expansion, he has been assuring the administration that veterans will share in the government spending cuts that Clinton plans as long as the cuts are "fair." The DAV where he worked for the past 26 years recently told Congress its members would go without a cost-of-living adjustment in their VA benefits if other entitlement programs did too.

The Clinton team targeted the VA to boost its home-loan program fees and make permanent other service charges that the Bush administration had imposed temporarily. It has also been directed to stretch out some major construction projects to achieve savings and trim staff by 9,000 over four years.

Brown said some of those proposals are still being debated in the administration, but that when the budget process is completed, he said most veterans will conclude the president treated them "fairly."

The secretary predicted that the White House will announce many of the VA's remaining 12 political appointments soon.

Brown had his first run-in with Congress this week and retreated from his decision to name the VA's top medical officer, James W. Holsinger, Jr., to the post of distinguished VA physician at a salary of $160,000 a year. After members complained, Brown asked the White House to allow Holsinger to remain the VA's undersecretary for health at his current salary of $182,800 until his successor is selected, probably this summer.

In the interim, aides said Brown intends to "take a hard look" at the distinguished physician program which was attacked for providing high-paying jobs with little responsibility to former VA hospital executives. Brown froze the applications of three other doctors to the program.

[From AHA News, Mar. 1, 1993]

JESSE BROWN SEES VETERANS HEALTH SYSTEM AS A MODEL FOR THE NATION

Secretary of Veterans Affairs Jesse Brown is planning changes in veterans health care that not only will atone for what he says are decades of neglect, but also will make the system an example for the nation.

Just two weeks after being sworn in, Brown gathered representatives of veterans organizations and Congress to work on the details of that plan.

The chief of all federal veterans programs is an ex-Marine, a Vietnam combat veteran and a staunch veterans advocate. He has been described as a tough, aggressive crusader for veterans who also brings emotion to his work because he has "been there." On patrol in Da Nang, South Vietnam, he was shot, and his right arm was paralyzed.

Until his nomination to the president's cabinet, he headed the Disabled American Veterans (DAV), where he worked in his hometown of Chicago and in Washington, DC, since leaving the military in 1966. The DAV, a congressionally chartered, not-for-profit organization with 1.3 million members, represents veterans disabled by war and lobbies the government.

But, although that record earned him his big desk flanked by towering flagpoles, he

recently joined a reporter in chairs in front of it to explain his ideas.

Brown does not see his move from the DAV to the cabinet as a simple transition from advocacy to government. Rather, he said he believes he must continue to support veterans' rights.

"What Mr. Clinton wants is someone who is going to be for veterans, and that is something that should have happened in the 1930s," Brown said. "I plan on being a Secretary for Veterans Affairs, continuing in my role as an advocate for veterans—no other object and no other focus."

At the same time, Brown embraces a broader vision of his role in the Clinton administration, especially in the arena of health care reform.

Although he can list the problems of the Department of Veterans Affairs (VA) health care system as well as any critic, he believes the President's Task Force on National Health Reform also could learn a lot from the department.

"We have to provide some type of universal, comprehensive health care for veterans who we define as being eligible," he said, the mood of the country is moving toward universal health coverage. I think we can get our system up and running much faster than the country can put its system in place. And, therefore, we can serve as a model for the nation."

David Gorman, DAV assistant national legislative director for medical affairs, is optimistic about the future of the VA under Jesse Brown.

Gorman, who has worked with Brown since 1976, said, "I know him and his style, and his philosophy and his methods. I'm confident he's going to bring them to the VA and the VA is going to be shaken up by that. I don't think they've seen anything like him before. But there are realities to that—he's got other considerations now and tremendous political pressure."

Maceo May, a Vietnam veteran who works with homeless veterans at the San Francisco-based Swords to Plow-shares, said he hopes Brown is serious about making major changes at the VA.

"There's a wealth of information out there in community-based organizations," May said. "I hope he understands the concerns in the trenches. Once a veteran is homeless, for example, he impacts every aspect of the VA hospital."

Rep. G.V. "Sonny" Montgomery (D-MS), chairman of the House Veterans' Affairs Committee, said he believes Brown is the "best possible choice to lead the VA in these crucial times."

The DAV's Gorman said Brown already has well-formed ideas about reforming the veterans health system. In February 1992, the DAV helped to draft legislation introduced in Congress that Gorman said "clearly had Mr. Brown's fingerprints all over it."

* * * The Commission on the Future Structure of Veterans Health Care, whose recommendations largely were not enacted and still are being discussed, called for access and eligibility reforms, payment revisions and technology improvements.

The commission recommended reassessing veterans' health care needs, including such demographic changes as increasing the number of women served and geographical migration. Several former commission members told AHA News they are confident Brown knew the details of the report and would heed many of its conclusions.

"The system of health care in this country is going to be reformed," said Neal Gault, M.D., a professor at the University of Minnesota School of Medicine and a commissioner. "The trick will be to organize the veterans organization around that."

Gault also said it is imperative that the research and teaching elements of the VA health system are preserved.

Brown said he sees the mission of the veterans health system as ensuring health and quality of life to a core group of 2.5 million service-connected veterans and poor, nonservice-connected veterans. The remaining 25 million U.S. veterans also should have access to the system, he said, as long as they pay for their care.

He envisions veterans hospitals sharing such resources as expensive equipment with community hospitals and health centers, although he said he will fight hard to keep the VA "an independent system."

"We're not interested at this time in providing access to non-veterans," he said.

Key to the future of veterans' health care is eligibility reform, which also can be a microcosm of national health care reform, according to Brown.

"The new philosophy of the nation governing health care is providing people with the kind of care they need, as opposed to what they're entitled to," Brown said. "You have veterans entitled to treatment for a service-connected disability when, in fact, a nonservice-connected disability may be putting their lives at risk. That's just not good medicine."—DAPHNE HOWLAND.

Mr. MURKOWSKI. Madam President, as the ranking minority member and former chairman of the Veterans' Affairs Committee in this body, there is nothing that I would like more than to be able to tell our colleagues and the Nation's taxpayers that the VA provides health care to veterans at a substantial cost savings, versus what it would cost the Federal Government to pay for care for veterans in private sector health care facilities.

Madam President, as one Senator who believes in the VA and what it does for veterans, and one who naturally wants to defend VA programs from outside criticism, I respect what Secretary Brown is trying to do. I and every proveteran Member of this body have strong incentives to want to believe the Secretary when he says that VA care costs less, and that VA can do more for more veterans. But, in this new assertion, is the Secretary raising false expectations among those veterans who, while eligible, do not use—and have no intention of using—the VA health care system?

We need to be prudent as well as wise; we are accountable to taxpayers for what we do and, in part, for what the Veterans' Affairs Committee does, and, indeed, for what the VA may do in the future.

Before addressing that future, as much as I would like to, I cannot accept on blind faith the Secretary's assertion about VA costs, because I do not have data to support his notion, and I wonder whether VA has reliable data either.

Health care in this country is not cheap as a general rule, and VA care is expensive, too; there are no two ways about it.

In fiscal year 1992, VA cared for about 2.5 million individual veterans, for a total cost of $14.6 billion in appropriated funds. Simple math applied to these two figures means that each veteran's health care cost the Government an average of almost $6,000 in fiscal year 1992.

I realize this is oversimplified logic, and that VA does many, many good things with the health care funds we appropriate, including education and research. But what the Secretary is doing in the press also presents us with a big problem: Secretary Brown is suggesting that VA is so inexpensive that it represents—and I quote from the Washington Post article of March 6—"a tremendous savings. * * *"

The Secretary is attempting to use these claimed savings—this bargain for the taxpayer—as a foundation for expanding the VA health care system to care for more veterans than those it serves now. The Secretary is tying his effort to the President's Task Force on Health Care Reform, more than suggesting that he has a solution to a significant part of the problem of the uninsured.

Perhaps Secretary Brown is correct—I simply don't know. I do think, however, that he should make an argument based on facts and that others—outside experts—ought to be able to review the facts before policy is made. Certainly that is the very least we can do for those in this country who must pull the VA wagon, and they are the people who work to pay the taxes to care for veterans in the Nation's largest single health care system.

Madam President, I have raised a concern about the Secretary's assertion that the cost of VA care, today, is—and I quote—"16 percent to 22 percent below private hospitals. * * *"

Madam President, to make a claim such as Secretary Brown has made, one first needs to have valid, comparable data. Every prior effort that VA has attempted in the matter of comparing VA health care costs against costs of care in the private sector has been criticized for one or another valid reason. This is certainly not a new issue. VA cost comparison studies have a long and controversial history.

Going back nearly 20 years, I know of no VA study that is generally considered authoritative and reliable to the extent that it would support Secretary Brown's assertion and withstand independent review by experts in the field.

Personally, I hope such new data do exist, and if they do, I know that Secretary Brown will make them public and allow health statisticians, health economists, and health care academics to assess the reliability of the study or studies on which he rests his new claims.

In the area of natural resources development, Madam President, I have stood on this floor and called for

science to answer our many questions about issues of environment and development. These are important matters for my State of Alaska, and I am convinced that we should rely on experts to help us gain the answers.

In regard to this matter, Madam President, I make a similar plea. This issue—which way is less costly, the VA or the private sector—is subject to empirical discovery and scientific conclusion. There are qualified health-economic experts who can answer the question, and I call on Secretary Brown to let them do it.

Madam President, my colleague and Veterans' Affairs Committee chairman, JAY ROCKEFELLER, is also concerned about the matter of VA health care costs. He has scheduled a hearing today before our committee on this subject. Obviously, a hearing of this nature is tied closely to our interest in the potential for national health reform and VA's role in that effort. I look forward to the opportunity to deal directly with the issue of the cost of VA health care.

I thank the chairman and yield the floor

I wish Madam President a very pleasant day.

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair recognizes the Senator from Texas for up to 5 minutes.

SECOND CHANCE HIGH

Mr. KRUEGER. Madam President, thank you very much. In the brief time that I have been honored to serve in this body, I have seen two of my stronger convictions about this institution be confirmed.

The first is that men and women seek the privilege of serving here primarily because they simply want to do the right thing. The second is that this body can in fact make a difference.

I would like particularly to talk about something in my own home area and my home State because it relates to the comments that have been made about the stimulus package. In my experience, some really splendid results can in fact occur from such a package.

I refer specifically to the south side of San Antonio, where a former girls' high school is helping hundreds of dropouts earn their high school diplomas in a nontraditional, nondiscriminatory fashion. The school's proper name is Blessed Sacrament Academy. But in San Antonio, it is better known as Second Chance High, because that is what it gives: It gives a second chance, a second chance for that vital high school diploma and all that a diploma can imply for careers and futures.

The stories of some of the people who have gone through Second Chance High are a moving testimony to the human spirit—a 73-year-old man fulfilling his life-long goal to get a high school diploma; or the 55-year-old widow who learns to read Shakespeare for the first time; or teenagers who are pregnant, troubled, living perhaps in homes afflicted by drugs and alcohol; the disabled and the unemployed, who are retooling themselves and rejuvenating their opportunities.

These are some of the backgrounds of some of the people at Second Chance High.

But they have two things in common. Their road has been harder than that of the average person, and their commitment is greater than the norm. They have the will, and Second Chance High has offered them a way. That way is open, Madam President, because funding from community block development grants have given them that opportunity.

Second Chance High receives very few fees from students and little money from the normal civic sources—no money from nonsecular sources—and yet the life-changing achievements of this institution are possible because cities like San Antonio have community development block grants at their disposal. We make it possible through our legislation, and programs like this can continue with the funds from the stimulus package.

There is a lot of talk about pork, but I have seen recently that lean pork has less cholesterol than a lot of other foods. There are some very lean things that provide for very full lives, and I am reminded of the comments of President Roosevelt when he was receiving the nomination for the second time in 1936. He said:

> Presidents err and governments make mistakes. But the immortal poet Dante has said that divine justice weighs in different scales the sins of the cold-blooded and the warm-hearted.

Then he said:

> Better a government that occasionally errs in the spirit of charity than one that is forever locked in the ice of its own indifference.

We cannot afford to be indifferent to the aspirations of people in their seventies, in their fifties, or to teenagers who are looking for this second chance. These are the kinds of things that the right community block grant development programs can indeed encourage, as they have in the past. We here cannot be locked in indifference when, with the spirit of clarity, we can in fact see people go forth and multiply their opportunities and their own lives.

Madam President, I stand in support of the stimulus package because I think that we can not only get rid of the fat but produce through this lean so much for our lives.

I thank you very much. I yield the remainder of my time.

Madam President, it appears to me that there is an absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum having been suggested; the clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

TRIBUTE TO BISHOP GILBERT E. PATTERSON

Mr. SASSER. Mr. President, I rise today to pay tribute to Bishop Gilbert E. Patterson, the founder and pastor of Temple of Deliverance Church of God in Christ in Memphis, TN, which has a congregation of more than 4,000 people. Bishop Patterson has been chosen as 1 of 12 members of the general board of the Church of God in Christ for his selfless devotion to his parishioners. The Church of God in Christ has 3.8 million members nationwide, and it is the largest African-American Pentecostal denomination in the United States.

Bishop Patterson has devoted his life to his ministerial career with the Church of God in Christ and to his family, Louise Patterson, his wife, and his parents, the late W.A. and Mary Patterson. He has organized seven churches in Memphis, Detroit, MI, Toledo, OH, and Forrest City, AR. He is also the jurisdictional prelate of the Church of God in Christ Tennessee 4th Ecclesiastical Jurisdiction.

In addition to his work in the church, Bishop Patterson is involved in television and radio ministries. He is the founder and president of Bountiful Blessings Ministries, which is heard nationwide on a number of television stations, including the BET cable network. He is also president and general manager of WBBP Radio, a full-time gospel radio station in Memphis.

In August 1992, Bishop Patterson served as guest chaplain to the U.S. House of Representatives.

Mr. President, I commend Bishop Patterson on his elevation to the governing board of the Church of God in Christ and his years of service to the community. I am proud to join his family and friends in extending my congratulations.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt—run up by the U.S. Congress—stood at $4,224,639,344,074.43 as of the close of business on Monday, March 29.

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 irresponsibil-

ity. 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 $16,447.31—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.

REGULATORY ACCOUNTABILITY STARTS HERE

Mr. HATCH. Mr. President, across the country the American cities and towns are crying for relief from the myriad of unfunded mandates and burdensome regulations. As Congress continues to deal with the deficit by imposing additional responsibilities on others through the regulatory process, these burdens will continue to grow unabated. Congress will continue making inefficient and inflexible policies, and agencies will continue writing the regulation to implement those policies. But, there will be no Government ledger published to tell the American people exactly how much this government activity costs. These expenditures will be off-budget or hidden.

Currently, the economic impact of most regulations is never examined because they are considered relatively minor. By minor, I mean that the agency estimates the cost of implementing the regulation to be under $100 million. Yet, the cumulative effect of these so-called minor regulations can be staggering. In 1991, only 142 of 2,523, or just 5.6 percent, of proposed and final rules submitted to the Office of Management and Budget were estimated to have a cost of over $100 million, therefore meeting the criteria for triggering a regulatory impact analysis. How much did the other 94.4 percent cost?

Last, year, Prof. Thomas Hopkins of the Rochester Institute of Technology estimated that for 1992 the direct and indirect effects of regulation cost the American people $562 billion. Given the current trends, he further projects that regulatory costs will top $650 billion by the year 2000.

Mr. President, these costs are not paid for by the Federal Government, yet they must be factored into any true picture of the economy. If the regulatory costs for 1992 were budgeted and paid for by the Federal Government, they would push the current budget deficit to over $800 billion this year alone.

Obviously, we cannot possibly reimburse States and municipalities or the private sector for the costs of implementing and enforcing federally mandated regulations. We can, however, work together, both Republicans and Democrats, to control runaway mandates and regulations. We must show the American people that we are willing to take responsibility for these off-budget costs.

Recently, I reintroduced S. 13, the Regulatory Accountability Act of 1993. This bill would force regulators and Congress to recognize the regulatory taxes placed on the American people by imposing a 3-year cap on the overall costs of regulation. Under this cap, in order for a new regulation to go into effect, the agency would be required to offset any new costs by equal regulatory savings—achieved through revoking or revising existing regulations, trimming and streamlining the paperwork burden, or by any other regulatory offsets.

Nothing in this legislation would prohibit agencies from issuing new rules intended to protect the American people from the bad actors in our society. However, the agencies would also be responsible for weighing the tradeoffs and for setting priorities. We no longer have the luxury of believing that cost is no object.

Mr. President, many officials at the State and local level already are struggling to balance their budgets in the face of new mandates and regulations. They realize that Washington sets their spending priorities without asking their consent. And who reaps the political consequences? These State and local officials who find themselves raising taxes and slashing essential services in order to cover mandates and regulations.

I want to bring to my colleagues' attention a resolution passed by the Weber Area Council of Governments—an organization representing 17 local governments, 2 school districts, and Weber State University in Weber County, UT.

Mr. President, I urge my colleagues to go home and ask their constituents what they think about this legislation. Go to the town meetings, go to local government officials, and go to the businesses to find out the impact of burdensome Federal mandates and rules. I believe the responses will be similar to those I receive from Utah—enough is enough.

Mr. President, I ask unanimous consent that the complete resolution be included in the RECORD at this point.

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

WEBER AREA COUNCIL OF GOVERNMENTS—RESOLUTION

Whereas, the Mayors and County Commissioners of Weber County, Utah, comprising the membership of the Weber Area Council of Governments are alarmed at the sharply increasing number of federal regulations and rules being proposed and adopted to control and govern most aspects of urban and suburban life, and

Whereas, Federal Agencies continue to disregard the heavy fiscal impact of these regulations upon the communities and local governments in Weber County and Utah in general, and

Whereas, these fiscal impacts, due to the ever increasing multiplicity of regulations, have become a heavy burden upon the citizens of Weber County and constitute what is in effect, a previous hidden tax upon all business and property owners,

Now Therefore, the Weber Area Council of Governments, having reviewed the proposed Legislation prepared by Senator Orrin Hatch, R Utah entitled "Regulatory Accountability Act of 1992" in which he proposes restrictions on the regulation making process of federal agencies to make this process more accountable for the heavy costs that these regulations require of local governments, and to establish a program of priority setting for new proposed regulations, Hereby Resolve that Senator Hatch be applauded for his awareness of this heavy inequitable burden being thrust on local governments, and for his efforts to curtail this form of federal fiscal oppression and also that the Weber Area Council of Government's express its enthusiastic support of this Legislation and for its passage into law.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Chair would advise that morning business is now closed.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 1335, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Byrd amendment No. 283, in the nature of a substitute;

Nickles (for Burns) amendment No. 285 (to amendment No. 283), to eliminate additional funding for the Federal payment to the District of Columbia.

The PRESIDING OFFICER. The pending question is on the Nickles

amendment No. 285 under which there will be 1 hour of debate equally controlled and divided in the usual form.

Who seeks recognition?

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana [Mr. BURNS].

Mr. BURNS. Mr. President, with regard to this amendment, that was offered last night on behalf of myself and Senator NICKLES, as we start to take a look at this supplemental appropriation, what we are trying to do is to highlight what this debate has centered around. I think it is a classic. I want to preface this a little bit with one of my favorite characters in the comic strip in the newspapers. And it is Shoe, written by Jeff MacNelly.

He says:

I'll never learn. Whenever I throw money at a problem to make it disappear, the only thing that disappears is my money.

Whenever we start looking at some of the problems we have in this country and we start talking about maybe being more fiscally responsible as a government and, yes, asking our different levels of government to be as responsible, we seem to forget about this. And just throwing money at it does not necessarily heal our woes and the ills we have in our communities.

This amendment strikes the $28 million from this supplemental appropriations to the District of Columbia. I will tell you why some folks would say, "Well, why are you pointing the pistol at the District of Columbia and not anybody else in this amendment?" It is very simple. I come out of local government, a commissioner in Yellowstone County, MT, and if there is anything that is hamstringing local government, it is, No. 1, unfunded mandates that local government must carry out; and No. 2, if you get the funds, the strings that are attached.

Mr. President, in this $28 million that goes to the District of Columbia, there are no strings attached. The money is not designed to do anything. It just says, "Here, have $28 million to do whatever you want to do with it." We do not treat any other government or appropriation to the States in that manner.

This is for a city that, according to the 1990 census, has 607,000 people. Fifty-seven thousand of them work for the local government. That is the highest across the Nation. Let us put that in relative terms. During the same year, the District of Columbia employed 939 people out of 10,000; in other words, 10 percent of the population, in contrast to my home State of Montana that employs 434 people for every 10,000 people who live in the State of Montana.

Now, Mr. President, I think Americans are looking to Congress and to the President to reduce the deficit. Let us talk about that just a little bit. There is a difference between deficit and debt. I had some high school folks in my office the other day and I asked them to define "deficit." And to a person they said "debt."

The deficit is not debt. Deficit creates debt. Even though we bring down the deficit, what we are trying to do, and what the President is trying to do—and I congratulate him for that—we still accumulate debt, and if we signed the President's plan and we dotted every "i" and crossed every "t" at the end of the 4 years this country still will have accumulated $1.3 trillion of new debt on top of the $4.5 trillion we now have.

So what have we accomplished, and basically what we are trying do? I congratulate this President because he has stepped forward; he has identified the problem; and he wants to do something about it. In an old country expression, "he is kind of going at it backwards."

So if there is one concern I have been hearing from home, it says, "Reduce the deficit." He is trying to do that. I say the way to do it is to take a look at spending before you take a look at the intangibles.

The other day I received in the mail 10,000 cards from Butte, MT. Do you know what those cards said? "Take a look at spending before you take a look at new taxes."

Now, for those of you who do not know much about Butte, MT, this is not the bastion of Republicanism. I only got 34 percent of the vote there. If I work real hard, I might get 34½ percent. But I would say that sent a pretty clear message to me that we are on the wrong track.

That sent a pretty strong message to me that we are approaching this problem from the wrong end. The $28 million which is slated for the District of Columbia would be added directly to the deficit, which means it will be added to the debt, and I guess that is what concerns me more than anything else.

Of course, when you put emergency on this, that means we can spend the money on anything and we do not have to have a reason. It is in violation of the law that was passed in 1990. That is the point—no strings, just $28 million.

I tell you, Mr. President, I drove down Connecticut Avenue today. It is no wonder the cars are falling apart around here. If you think roads are bad in Montana—they have 10 square miles to take care of and I have 148,000—I do it with half the employees in government. I also do it with a lot less money, too. Not only are they getting $28 million in this supplemental, it is in addition to $78 million that is already designated to go to the District of Columbia.

But that has a few strings on it because it is in different parts of this bill.

So it seems clear to me that the District is suffering from a little bureaucratic overload, a little inefficiency in government. If we just hand them the money, we are telling them it is OK to do that.

The Federal Government transferred $8.9 billion—$8.9 billion—to the District of Columbia in 1991 in the form of direct appropriations, grants, and payments to individuals in this city. The figure does not include the salaries and wages of Federal workers in the District, many of whom do not live in the District.

We should reward inefficiency with an extra pot of Federal money? I think not. That is not the way our county worked when I was a commissioner.

It was wonderful being a county commissioner. I loved it. It was the best I ever had because you live in the neighborhood where the taxpayers live, and your phone number is in the phone book. They all call you up and tell you when you are not doing a very good job.

When you signed off on the budget, it was a real name on there; it was real people. They could walk into your office. I realize Yellowstone County did not see everybody, because the county is bigger than Delaware. And you—when you shored it up, people came in. They will tell you right away. That is the great thing about living in Montana. If you are not doing a very good job, they will tell you right away.

I do not think they would stand for this. My State would not stand for this. When you hand somebody the money, no strings, and then put it on this debt which will go on to our children and our grandchildren, and the interest and the service it will take to service this debt.

Just keep in mind. If the American people do not think of anything else through this whole debate, it is the greatest, I think it is the greatest argument and philosophy we have ever seen since I have been in this Senate. Deficit creates debt. Deficit is the amount of money that we take in, the difference between the amount of money we take in and the amount of money we spend, and that creates debt, and that is what we have to pay interest on—everybody in this country.

In these days of shrinking budgets and increasing deficits, governments are looking for alternate sources of revenue.

And the District of Columbia just hit pay dirt. The District stands to gain $28.177 million in direct supplemental funds under the supplemental package. This is in addition to the estimated $78 million that the District will qualify for under the extra funds appropriated for block grants and other programs.

This, for a city with a 1990 population of 607,000, 57,000 of whom were on the city payroll. Let us put this in relative terms. During that same year, the District of Columbia employed 939 people out of 10,000—in other words, almost 10 percent of the population. Contrast

this to the 434 people out of 10,000 employed by State and local governments in my State of Montana.

Americans are looking to Congress and to the President to reduce the deficit. This is not the time to add to the national debt. Increasing the debt could have a negative effect on our economy, which is already recovering.

If there is one concern I have been hearing from the folks at home, it's "Reduce the deficit." The funds in this package do not reduce the deficit. They are being added to the deficit. The $28 million slated for the District of Columbia would be added directly to the deficit. This amendment would strike this $28 million appropriation from the supplemental package.

As a former county commissioner, I understand that local governments provide important services like education. But you cannot tell me that there is not inefficiency when an area of 13 square miles needs 57,000 employees to take care of business. In my State—which has 147,138 square miles, by the way—35,000 Montanans manage to do the job.

It seems clear to me that the District is suffering from bureaucratic overload. Should we channel additional funding through this bureaucracy and hope the benefits eventually reach the citizens of the District?

The Federal Government transferred $8.952 billion into the District of Columbia in 1991 in the form of direct appropriations, grants, and payments to individuals. This figure does not include salaries and wages of Federal workers in the District, many of whom are not residents. If we instead took this money and distributed it directly to District residents, we would write a $14,747 check to every man, woman, and child. This compares to the per capita income in my State, which is $16,043.

Should we reward this inefficiency with an extra pot of Federal money? I think not. There is no doubt in my mind that people are hurting out there. But the fact is, our economy is on the uptick. Employment figures continue to look positive. Inflation and interest rates are low. Americans are looking to Congress and to the President to reduce the deficit. As a result, this is not the time to add to the national debt. Increasing the debt could have a serious dampening effect on the economy. In fact, passing the entire supplemental package adds about $65 to the deficit for each man, woman, and child in this country.

I urge my colleagues to support this amendment.

I reserve the remainder of my time.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BURNS. I yield.

Mr. BYRD. Mr. President, I yield all the time in opposition to the amendment to Mr. KOHL, the chairman of the D.C. Appropriations Subcommittee, with the exception of 5 minutes, which I will reserve at the last for myself.

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

Mr. BYRD. I thank the distinguished Senator.

Mr. BURNS. I thank my chairman.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Thank you, Mr. President.

Mr. President, as all of my colleagues know, I have some problems with the stimulus package. Indeed I plan to offer an amendment later on today to address those concerns. But while I disagree with the approach taken in the bill, I have no quarrel with the President's request for $28 million for the District. As chair of the D.C. Subcommittee I am quite aware that the District is an easy target. None of us have constituents here. Every Federal dollar we spend here is one less dollar available to our own States. And there are no Senators in the District who will fight for the interests of the city. All this makes the District of Columbia a tempting target, and this amendment aims for the bull's-eye.

Let me give my colleagues some background on the D.C. issue. Last fall, both the House and the Senate included $31 million in the regular D.C. appropriations bill to support Mayor Kelly's youth initiative. The District legitimately counted on that money when it prepared its budget for the current fiscal year. They did not, however, get the money. President Bush threatened to veto the D.C. appropriations bill because he had not requested the $31 million. And in order to avoid that possibility, the House and the Senate agreed to take the money out of the final bill. As a result, the District now faces a shortfall.

The $28 million requested by President Clinton, and included in the supplemental now before us, simply corrects this problem. This money does not constitute an increase in the Federal payment. It simply restores funding which the District was promised.

It is funding which will be used for a number of vital purposes. For example, this funding will allow the District to add 200 police officers to neighborhood patrols; provide 5,000 summer jobs through the city's summer youth employment program; hire 200 college students as recreation counselors and playground supervisors this summer; make progress toward the goal of immunizing 2-year-olds in the city; provide apprenticeship and free apprenticeship training for public housing residents; and expand the hours at targeted neighborhood health centers.

So, Mr. President, these are programs assumed in the District's budget, and these are assumptions based on their legitimate expectation that Congress would fully fund the Federal payment.

Let me make three points about the District.

First, it has a limited ability to respond to economic downturns. There are federally imposed restrictions on its taxing authority, and there are a host of tax-exempt organizations and properties in the city. Mayor Kelly has told us that the District cannot tax 62 percent of its wealth, it cannot tax 43 percent of its property. We have created conditions that make it difficult for the city to respond to its own needs.

Second, it is experiencing an economic downturn. Over 21,000 District residents have lost their jobs since 1990. In the same period, AFDC cases have increased by 28 percent. At least part of the cause for these figures rests in our efforts to downsize the Government and to reduce costs.

Third, I would ask my colleagues to look at the way this bill treats our own States and our own cities. We are offering help to communities affected by the military drawdown. We are offering help to transit systems facing the demands of the Clean Air Act and the Americans With Disabilities Act. We are offering help to individuals who are laid off as a result of Federal program terminations. We ought to offer the same assistance to the District of Columbia, for that is a matter of simple equity.

So, Mr. President, the $28 million in this bill for the District is simply a way to keep faith with the city, and to provide desperately needed short-term economic stimulus to the local economy. It is consistent with the President's request. It is consistent with the action already taken by the House. It is consistent with the promises we made last year. And it is consistent with the basic approach of this legislation.

The $28 million ought to be retained, and this amendment ought to be defeated. Thank you, Mr. President.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana [Mr. BURNS].

Mr. BURNS. Mr. President, I yield 8 minutes to my friend from Iowa, Senator GRASSLEY.

The PRESIDING OFFICER. The Senator from Iowa [Mr. GRASSLEY] is recognized for 8 minutes.

Mr. GRASSLEY. Mr. President, while we are talking about spending money in an emergency appropriations bill, an economic stimulus package, and there has been a lot of debate on this floor of whether it is needed, a lot of debate of whether or not there is going to be control over the expenditures, whether it is really going to accomplish the good that it ought to accomplish, I want to bring into this debate thoughts that I have about the breakdown of discipline and the integrity and financial management in the Federal Government.

It is about the loss of control over taxpayers' dollars; the collapse of accounting, the total disregard for the laws governing the use of appropriations.

Then I think there is some specific, constructive remedy that I could suggest.

Mr. President, last week I had an opportunity to speak about the Pentagon's ability to use creative bookkeeping schemes, and in this case it was known as DBOF, the defense business operations fund. The Defense Department uses this fund to squirrel away billions of dollars.

I quoted a Maj. Joe Lokey, assistant comptroller, MacDill Air Force Base, FL, on this subject. He said:

> DBOF is useful in subverting the intent of Congress who will no longer appropriate for specific purposes, but simply ensure the DOD K-Mart is adequately capitalized.

His term, DOD K-Mart is for this DBOF fund for squirreling away money. If Congress really wants to keep track of the money after it is appropriated, then Congress should abolish DBOF and get better control of accounting generally throughout Government, including a program that we are appropriating money for in this bill, and the issue of this amendment.

Of course DBOF is an obstacle to oversight and sound financial management.

But it is just one of many examples that those of us in Congress, who exercise the power of the purse, have no idea what has happened to the money after it is shoveled out of the door in one of these huge appropriations bills. Schemes like DBOF do not help, but the problem is much larger than that. All too often, the idea is to get money approved, look good, and then forget about it. We forget our oversight responsibilities, and then we start worrying about the next budget and the next bill. It is a big, old whirlpool we get involved with.

How was the money spent? Are financial controls adequate? What results were achieved? Nobody seems to know and nobody seems to really care.

Mr. President, it is not just a matter of keeping track of the money. We need to regain control of the people's money. I think we have lost it. This is a crisis in and of itself, an emergency bill that ought to be operated on here to help us get more control. The need in the final analysis may not just be a congressional need; it is for tougher management and more stringent controls on the people spending the money, not just those of us appropriating it. For sure, the problem is not more money, like what this bill is trying to do.

Mr. President, Comptroller General Bowsher, who has responsibilities under the law to guarantee the integrity of the Government's accounts, has raised a very important red warning flag. He has to care, because this is the person that is appointed for 15 years by the President to make sure that money is legally spent and that the management of the money is well done.

Bowsher's warning was issued in a document entitled Financial Management Issues, dated December 1992. This is what the Comptroller General says:

> The Government's books are a mess. Billions of dollars are unaccounted for. We have large Government agencies where audits cannot be conducted because the records are so very bad. The taxpayers' money is vulnerable to abuse.

When OMB Director Panetta came before the Budget Committee on February 19, 1993, I asked him to comment on this assessment of Bowsher's, and he said that he is in complete agreement with the Comptroller General. He said, "It is a disaster."

Thank God we have an OMB director that knows we have these problems and, hopefully, under his leadership, with Bowsher's help, they will be taken care of.

So, Mr. President, I know of no one who challenges Bowsher's conclusion that there has been a total breakdown in the discipline and the integrity in the process by which the Government controls and accounts for the people's money.

We do not have financial management in the Government anymore. What we have is financial mismanagement.

Mr. President, we may have reached a point in our history where the time has come to call in the FBI, to lock the doors, seal the safes and the filing cabinets, and begin a top-to-bottom audit of the Government's books.

We have Government agencies where books cannot be audited because the records are so poor. It is time to close the money spigot and stop writing checks until we get a handle on the problem.

Mr. President, an example of what gives Bowsher's warning some real meaning, and it might be an isolated example. I want to make clear it is an isolated example, but part of a general pattern of abuse. It is the tip of an iceberg. It involves the Air Force appropriations accounts.

The Air Force discovered a $649,111,986 discrepancy between the balances shown in its departmental books and its books maintained at the base level. To correct this problem, the Air Force simply reached into what is called the M accounts and took $649.1 million out to plug the gap and, hence, just like big black magic the books are balanced. The Air Force was unable to reconcile the underlying accounting records and to pinpoint the source of the discrepancy, because $649.1 million could not be linked to specific obligations or contracts. The inspector general at DOD and the General Accounting Office both concluded: "There is no documentary evidence to support the $649.1 million taken from the M accounts."

This is a violation of Federal statutory law. Section 1501 states: "An amount shall be recorded as an obligation of the United States Government only when supported by documentary evidence."

Well, there is no documentary evidence, as confirmed and verified by the Department of Defense, inspector general and also by the GAO.

Without the required documentary evidence, we have no way of knowing what happened to this money. Was it stolen? We do not know.

Mr. President, do you know why the Air Force finds itself in this predicament? I want to tell you why. The Air Force is not practicing accepted accounting procedures. The Air Force is not doing day-by-day bookkeeping. This goes right back to Comptroller General Bowsher's statement.

Instead of recording obligations and disbursements in the accounting books as they happen, the Air Force has been using computers, and it has been using mathematical equations to estimate those amounts and to balance the books.

Well, guess what? The equations did not accurately reflect the real flow of money—over a long period of time—perhaps for 30 years or more.

The GAO concludes and I quote:

> It is doubtful if the Air Force will ever be able to reconcile the $649 million difference between departmental and field level records.

Mr. President, is that acceptable? Should that be tolerated?

The lack of discipline and integrity in accounting for our tax dollars is inexcusable. It must not be tolerated.

The $649.1 million in unsupported Air Force obligations should be returned to the Treasury and used to reduce the deficit.

Mr. President, I will have an amendment to recover the $649.1 million. My amendment would deobligate and cancel the money involved in this illegal transaction. I will soon ask unanimous consent to have a copy of the amendment printed in the RECORD.

I do not intend to offer the amendment at this time. However, I do intend to offer it, either on the emergency supplemental bill or on some other vehicle in the near future. I simply want to bring this issue to the attention of my colleagues, and to ask for their support when I am ready to offer the amendment.

Toward this end, I would like to advise my colleagues and the managers of the bill that the issue of the unsupported Air Force obligations is described in detail in a General Accounting Office report entitled "Financial Management: Agencies' Actions to Eliminate 'M' Accounts and Merged Surplus Authority." The unsupported

obligations are discussed on pages 3–4 and 33–35 of the report. This report should be made public on Friday, April 2. It is also addressed in DOD IG Audit Report No. 92–028 entitled "Merged Accounts of the Department of Defense."

Perhaps, before we agree to proceed with my amendment, the chairman of the committee and perhaps others would like time to study the facts and to decide whether my amendment is the correct remedy or whether some other solution would be more appropriate.

Mr. President, we should stop illegal and abusive expenditures and recover them before we start spending more money.

If we have Government agencies that cannot be audited because the records are so bad, and if Congress cannot get an accounting for all the money we appropriate, then it is time to take decisive action.

Mr. President, I now ask unanimous consent that the amendment referred to in my statement be printed at this point in the RECORD.

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

On page 58, after line 26, insert the following:

SEC. . (a)(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of the Air Force shall, in accordance with paragraph (2), deobligate amounts totaling $649,111,986 that—

(A) pursuant to subsection (a)(2) of section 1552 of title 31, United States Code (as such section was in effect on November 4, 1990), were restored from unobligated amounts withdrawn under that subsection; and

(B) were transferred to merged appropriation accounts established under subsection (a)(1) of such section (as such section was in effect on November 4, 1990).

(2) For each appropriation account listed below the Secretary shall deobligate amounts that total the amount specified for such account as follows:

Appropriation Account Number:	Appropriation Purpose:	Amount: y
57111081	International Military Education and Training, Executive (transfer to Air Force).	$259,645.
57M3010	Aircraft Procurement, Air Force.	$143,388,840.
57M3020	Missile Procurement, Air Force.	$118,008,560.
57M3080	Other Procurement, Air Force.	$42,646,658.
57M3300	Military Construction, Air Force.	$25,899,568.
57M3400	Operation and Maintenance, Air Force.	$190,709,100.
57M3600	Research, Development, Test and Evaluation, Air Force.	$111,127,970.
57M3700	Reserve Personnel, Air Force.	$259,645.
57M3730	Military Construction, Air Force Reserve.	$64,911.
57M3740	Operation and Maintenance, Air Force Reserve.	$10,126,147.
57M3840	Operation and Maintenance, Air National Guard.	$6,166,564.
57M3850	National Guard Personnel, Air Force.	$454,378.

(3) Amounts deobligated pursuant to paragraph (1) shall be canceled immediately upon deobligation and thereafter shall not be available for obligation or expenditure for any purpose.

(b) Not later than 30 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the deobligation and cancellation of amounts required by subsection (a).

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

Mr. BURNS. Mr. President, the other sponsor of this amendment has just now arrived. I will yield to him for 4 minutes with one more speaker to go.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. NICKLES] is recognized.

Mr. NICKLES. Mr. President, first, I congratulate my colleagues, Senator BURNS, and also Senator GRASSLEY for their comments. I rise with them as a cosponsor of this amendment to delete $28 million of so-called emergency funds to go to the District of Columbia.

There is nothing that is an emergency about it. This is a political payoff, and people should be aware of it. This is basically people saying, yes, we want to have $28 million going to the District of Columbia. I have respect for the Mayor of the District of Columbia and for the Representative for the District. President Clinton is trying to make them very happy. I understand that. But it is not needed, and it is not an emergency.

Certainly, all it does is increase the deficit. We should not be increasing the deficit. I just spoke to a large group of editors and stated that this package does nothing but increase the deficit. I might ask my colleague and cosponsor of the amendment, will this $28 million increase one job?

Mr. BURNS. There is nothing in this $28 million that is earmarked for anything, I would advise my colleague from Oklahoma. I know that it was in the statement when the request was made. I am ranking on the Appropriations Committee in this jurisdiction. It says it only gives us opportunities to do certain things, and everything that they name has already been funded. This is just $28 million to just hand to them.

Mr. NICKLES. I appreciate my colleague's comments.

Looking at a couple of facts. Federal appropriations have grown in the District of Columbia from $276 million in 1982, to $631 million in 1992, an increase of over 128 percent.

I might also notice that the District of Columbia employs about 1 out of every 13 residents; most large cities employ about 1 out of 100. Keep in mind 1 out of 13 residents are employed by the District of Columbia.

Mr. President, my comment is this is $28 million. It is not an emergency. It has nothing to do with anything concerning jobs programs. I really hope that my colleagues will take one small step toward fiscal responsibility and not increase the deficit and the debt by this amount of money.

So I congratulate my colleague from Montana for his leadership and also my colleague and friend from Iowa for their statements. I hope we can save the taxpayers and future generations to an additional debt load and pass the Senator's amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BURNS. Might I inquire of the Chair, Mr. President, of the time remaining on this side?

The PRESIDING OFFICER. Six minutes.

Mr. BURNS. I yield 4 minutes to my colleague from Missouri, Senator BOND.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I am pleased to join with my colleagues from Montana and Oklahoma in cosponsoring this amendment. I think it is very important that we make some sense out of the measure before us.

The reason many of my colleagues believe that this is a political stimulus bill rather than a jobs bill is provisions just like this.

Providing funds for the District of Columbia can have only one purpose in this measure, and that is to say thanks to the Mayor for her support of the Clinton candidacy.

The 1991 Federal payment, which are the funds made to the District to offset the property taxes not paid because of the Federal presence in the city, was $430 million.

Newly elected Mayor Sharon Pratt Kelly, facing a $300 million budget deficit legacy from former Mayor Barry, came to Congress for a $100 million supplemental to help offset the city's budget woes.

At the time I was ranking member on the D.C. Appropriations Subcommittee, Mayor Kelly wrote me a letter describing the District's plight in which she said the District is currently faced with a budget gap of $300 million. "We request $100 million in Federal supplemental funds in order to help address this severe financial crisis."

Then, after some consideration, I was pleased to support the proposal, and subsequently the Congress agreed to provide the $100 million. The Federal payment thus was increased to $530 million.

Not long after the request, Mayor Kelly discovered that this one-time shot in the arm was insufficient and returned to Congress for a request for an additional $200 million to assist her in balancing their fiscal year 1992 budget.

Meanwhile, Congressmen DELLUMS and BLILEY, along with Delegate ELEANOR HOLMES NORTON, began their efforts to enact legislation to provide Federal payment based on the formula of 24 percent of city-raised revenues.

Many, including the Washington Post editorial page, argued this was a good way of taking the guesswork out of payment and thus providing some certainty for the Federal District budget.

I ask unanimous consent that the Washington Post editorials reflecting that be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

A FAIR FEDERAL PAYMENT

Delegate Eleanor Holmes Norton, House District Committee Chairman Ronald V. Dellums of California and ranking Republican Thomas J. Bliley Jr., of Virginia have set the stage for a major effort to restore equity to the federal government's relationship with the city. On Wednesday, hearings open on their bill to increase the federal payment to the District next fiscal year and to establish a fixed formula for future payments beginning in fiscal year 1993. Their legislation could encounter stiff winds in the current fiscal climate. But the key elements of principle, precedent and practicality are on their side. By any fair accounting, the city should be compensated by a predictable and credible payment for bearing the burdens of a tax-free federal government and the costs associated with being the seat of the world's most powerful nation.

The concept of a direct federal payment is nearly as old as the District of Columbia itself. That it has never been seriously challenged is no oversight. The federal presence in the city is unquestionably a unique—and costly—fact of life. Federal property, foreign missions, several organizations, the income of nonresidents and goods and services sold to the federal government are all immunized from District taxes. Simultaneously, the city hosts 20 million tourists annually and protects countless others who come to Washington to speak, assemble and petition. But as the nation and world have played an increasingly larger role in the District's life, the federal contribution to the city's financial well-being has been diminishing. It's down, for example, from about 30 percent at the dawn of home rule in 1975 to about 14 percent today. And even with that, local budgeting is always fraught with uncertainty, since from year to year the mayor and council never know how much to expect from the federal government. That is patently unfair.

By boosting next year's authorization to $630 million from the '91 aggregate level of $596.5 million and by setting the future federal payment formula at 24 percent of city-raised revenues, the Dellums-Bliley-Norton bill restores equity to the federal-District relationship. It also complements the efforts of Mayor Sharon Pratt Dixon and Council Chairman John A. Wilson, who are trying to get the city's financial house in order. To succeed, they need enactment of the federal payment formula bill this year.

MEDI-GAMBLE

A municipal budget prepared a year and a half in advance is always a gamble. Who can be sure what tax receipts and spending requirements will be that far in the future? But some of the spending estimates in the narrowly balanced budget to which D.C. Mayor Sharon Pratt Dixon and the city council have agreed seem particularly chancy. The Medicaid estimate is one such.

Medicaid is not just another social program, but one of the mighty engines and dominant items in the budget. The health care program for the poor accounts for almost a tenth of the money the city spends each year (including federal funds). The benefits go to a seventh of the city's population.

Medicaid costs are soaring everywhere—the governors say they have no greater budget problem—and the D.C. budget provides for an increase as well. The question is whether it is enough. Last fiscal year the city's share of program costs was $174 million; for next year the mayor budgeted and the council approved $186 million. That's an average increase of less than 5 percent a year, less than a third the rate of increase nationally.

The relatively low D.C. cost estimate is based on a number of assumptions. One is that reimbursement rates won't change that much—the fees the District pays doctors, hospitals, nursing homes and other providers for services under Medicaid. Though providers in this as in other jurisdictions have begun to complain and even go to court about Medicaid reimbursement rates, this is a policy assumption that the city largely has the power to make come true.

Not so, however, in the case of a second assumption, which is that the caseload for Medicaid and a related program that the budget proposes to abolish will also be flat. Here the problem is partly the economic downturn, which has led the government to assume (and budget for) a one-seventh increase next year in its welfare caseload. The expectation is that, on average, a tenth of the population will be on Aid to Families with Dependent Children at any given time. AFDC families are automatically entitled to Medicaid. How does one caseload increase (by about 7,000 persons) and the other not?

There are various answers. The Medicaid tent has been made considerably broader than the welfare tent in the District, so that some of the new welfare families will already be receiving Medicaid. And insofar as the Medicaid caseload does go up, the increase will be offset by cuts in the companion, so-called Medical Charities program. Maybe—but it is hard to find a city official who really thinks that Medicaid costs next year will be no more than budgeted. If costs indeed are higher and the overall budget is not to be breached, there will have to be additional cuts. The mayor and council have passed a budget for fiscal 1992, but the process is just beginning.

Mr. BOND. Mr. President, I supported the formula bill and it too subsequently passed. I supported it because I believe the formula approach would allow the District to do a better job of planning, and handling their budgets. And it would also eliminate the need to run to Congress every time the District experienced a shortfall.

The net effect was that the Federal payment for the District rose from $430 million in fiscal 1990 to $630 million, in fiscal year 1992. It also meant that the D.C. Subcommittee last year appropriated for fiscal year 1993 the statutory 24-percent requirement which was $624 million plus an additional $5 million for inaugural expense. They have gotten the predictability they want.

They now have a statutory formula. In total, over the past 3 years the District of Columbia has received an additional one-half billion dollars. Unfortunately, the D.C. budget is still out of control; top-level District employees are leaving with regularity and the political leadership priorities include funding abortion and health insurance for unmarried domestic couples.

I ask unanimous consent that a news article, including a statement by the District Delegate in which she says she asked Congress to repeal two measures to restrict the District's power to finance abortions and finance domestic health insurance program favored by the gay community. I ask unanimous consent that that be printed in the RECORD.

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

[From the Washington Post, Feb. 18, 1993]

D.C. WOULD GET $28 MILLION MORE UNDER CLINTON PLAN

(By Kent Jenkins, Jr.)

President Clinton proposed yesterday that the financially strapped District government get $28 million in additional federal aid, a move city officials hailed as a sign of improving relations between the White House and the District Building.

Clinton included the money in the $30 billion economic stimulus package he announced yesterday, and administration officials said the District would be free to use the funds as it sees fit. If approved by Congress, the $28 million would become available during current budget year, which ends Sept. 30.

Clinton's proposal is designed to reverse actions taken last fall that resulted in the District getting $30 million less than it had expected. During the election campaign, President Bush threatened to veto several spending measures that he said cost too much. Congress responded by cutting the District's annual payment from the federal government to $625 million from a proposed $655 million.

District officials, clearly delighted by the prospect to additional White House support, moved immediately to take advantage of the improved political climate. Del. Eleanor Holmes Norton D-D.C.) said she will ask Congress to repeal two measures that restrict the District's power to finance abortions and to fund a "domestic partners" health insurance program favored by the city's gay community.

D.C. Mayor Sharon Pratt Kelly said that Clinton's effort to get additional money for the District signals "a new day" in relations between the city and the federal government.

"We have someone in the White House now who is eager to talk and is reaching out to us," said Kelly, who, like Clinton, is a Demo-

crat. "This bodes well for the District of Columbia."

Norton described Clinton's proposal as "a good-faith down payment that should restore the faith of Washingtonians. * * * What one president has taken away, another has restored."

Kelly complained loudly last year when the District lost $30 million under pressure from Bush because the cut left a hole in her $3.4 billion budget. She had proposed that the money be spent on her "youth and family initiative" crime-fighting program. Norton said yesterday that if Congress approves the $28 million, lawmakers probably will require that it be spend for the purpose.

But Norton's efforts to address the subjects of abortion and gay rights are likely to stir controversy. In past years, Congress, at the prodding of Bush, forbade the District to pay for abortions for poor women. Shortly before last November's election, the House voted overwhelmingly to block the domestic partners program that would provide benefits to persons designated by city workers at their partners.

Norton said yesterday that she will attach language to Clinton's economic stimulus package that would eliminate both those bans. Rep. Julian Dixon (D-Calif.), chairman of the House D.C. Appropriations subcommittee, said he will support those efforts.

District officials believe they have the votes to lift the ban on taxpayer-financed abortions.

"I believe that we will encounter opposition on the floor" to both proposals, Dixon said. "I think the domestic partners measure may face the toughest fight. But I will make my best efforts to go ahead with both."

Mr. BOND. Mr. President, now, for the third time in 3 fiscal years, the District wants another taxpayer handout. Now it is true this one is smaller—only $28.2 million—but as the President's economic plan "Vision for Change for America" puts it:

The administration proposes $28 million to reduce the District's budget deficit.

I guess the first $500 million was just the downpayment.

Mr. President, who can actually argue that it is a Federal emergency such that the Nation's taxpayers should be willing to borrow funds for their children to pay off; and increase the Federal deficit in order to help the Mayor of the District of Columbia reduce her deficit?

Exactly what kind of ridiculous thinking is this?

No other city in America has emergency funds in this bill to reduce their deficit. And if there was, the people of this country would be outraged.

No State—which the District says it wants to be—has dollars in this so-called jobs bill to bail out their budgets either. But in case colleagues believe that if the District does not receive these funds they will somehow be shortchanged by this bill if we take away this candy cane—think again. Even without the $28 million the District of Columbia will get at least $69 million, excluding unemployment compensation. That is $114 for every resident. In contrast, per capita, the State of Missouri will get $42.

Mr. President, if the Senate wants to pour more money into the District's ever-ravenous treasury, they should do so knowing that these funds are not going to solve the District's problems; they are just postponing them again. If 500 million additional Federal dollars over the past few years has not bailed them out, this $28 million will not today.

Thus the Senate should just face the truth. These funds are just an old-fashioned, log-rolling, you scratch-my-back-I'll-scratch-yours political payoff. It is the politics practiced and perfected in the old smoky rooms of Chicago, New York, and Boston. It is the old time stuff, the kind of thing the Nation thought Bill Clinton stood against. It is politics for politicians. It is special interests get special favors.

And it is an emergency jobs bill.

It should not be.

I urge my colleagues to support our amendment.

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

Mr. BOND. I urge my colleagues to join in support of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BURNS. Mr. President, I would like to reserve the remainder of my time which is about 2 minutes.

The PRESIDING OFFICER. About 2 minutes.

Mr. BURNS. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

If no one yields time, it must be deducted equally from both sides.

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wonder if the Senator will yield me 1 minute.

Mr. BURNS. I yield 1 minute to my friend from Oklahoma.

Mr. NICKLES. Mr. President, I would like to inquire of the Senator from Missouri just to make sure I understood his statement—and I appreciate his statement and also his leadership on the D.C. Appropriations Subcommittee—but did the Senator say there was an article that referred to I guess the Delegate from the District of Columbia saying they would like to take some of the $28 billion so-called emergency supplemental money going to spend out is that going to increase the deficit and use that money to fund, one, fund abortions and another is to pay for the District's domestic partner law?

Mr. BOND. Mr. President, the Senator from Oklahoma is correct. The story which I have included in the RECORD refers to the increased request that the President made for the District of Columbia, and in the context of that request the District Delegate indicated that her top priority would be getting approval for legislative approval for these two measures.

So, in essence, the funds that we are making available would enable the District to fund abortions and the domestic partners insurance measure.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. NICKLES. I thank the Senator.

Mr. BURNS. Mr. President, I would go ahead and use up the time. If the time is going to run equally I will go ahead because we only have a minute or so remaining.

I would just remind our colleagues, since we had such a spirited debate on the other side, to come to the defense of this appropriation. It has been noticed here, and especially when we think it is an appropriation that is given without strings, it is just a gift.

It seems like they could always come up for different things in the District of Columbia, everything that they are supposed to be doing as far as running a city is concerned.

I would just remind my colleagues. Like I said a while ago, if you can keep the wheels on your car going down Connecticut Avenue you are a better driver than I am. We have better farm-to-market roads than streets they have in this city. That all goes on this, especially when you look at the ratio of the people who work for the city government in this town, which is almost 10 percent of the population, as compared to any other local government across this Nation.

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

Mr. BURNS. I ask everyone to look and see this is not a very good efficiency in government.

I thank the President.

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Mrs. MURRAY. Mr. President, may I ask how much time is left on both sides?

The PRESIDING OFFICER. The Senator from Washington has approximately 24 minutes.

Mrs. MURRAY. I request that I may use that time under the direction of Senator KOHL.

The PRESIDING OFFICER. The Senator is recognized in opposition.

Mrs. MURRAY. Mr. President, I come to the floor in strong opposition to the amendment that is before us that will eliminate the $28 million that the President has requested for the District of Columbia.

I come here from across this Nation. In fact, I put my kids and my husband in the car the day after Christmas, and I drove across this country with my family to become a U.S. Senator.

It was a trip I will not forget, as anybody would who has taken a trip for 2,800 miles with their kids in their car.

We came starry-eyed across this Nation and arrived in Washington, DC, and I have to tell you that I was shocked. I was in the Nation's Capital,

the most important Nation, in my view in the world, our Nation's Capital, Washington, DC, and here I have my kids and my husband in my car. I look around and I see a city in shambles. I see people on the streets with cups next to me as I come up to stop signs begging for money.

I go to look for a place to live with my children and my husband. I ask around about where are the good schools, good public schools, to put my kids into. Everybody says, "Do not put them into the Washington, DC, schools." I say "Do not put them into the Washington, DC, schools? This is our Nation's Capital. It should be the premier example of public education for the rest of the Nation."

And people tell me "Do not live in Washington, DC, because the neighborhoods are not safe; it is not a good place to raise your family," and I say "Our Nation's Capital is not a good place to raise your family?" If we do not set a good example here, what are we saying to the rest of the Nation?

Mr. President, $28 million; we have been debating billions of dollars for the last 3 weeks. We are talking about giving the RTC $45 billion additional dollars to bail out savings and loans, and we cannot talk $28 million for our Nation's Capital to invest in the children here, to give hope back to our Nation's Capital? Mr. President, I find that absolutely astounding.

I heard my colleagues on the floor suggest that this money was going to be used for abortions. I would remind them that there is a statutory prohibition against the use of these funds for abortions. This money is going to go to provide essential public safety in this city.

All of us drive to work. And I have to tell you, I am very impressed, as I drive to work in the morning, when I drive past the Lincoln Memorial and Washington Monument and realize I am in the Nation's Capital.

But I am astounded, every morning when I pull up to the stop signs, and there is someone there, a man or a woman, with a cup begging for money in our Nation's Capital.

We need public safety money in Washington, DC. The money in this bill will go to create job opportunities. And certainly people in Washington, DC, like the rest of the Nation, are being hurt. It will go to stimulate business and economic development to put people back to work and to assure the kids who are in school here that there will be jobs for the future. It will go to expand health services and aid children and families at risk.

My hope, Mr. President, is that we will not listen to arguments that say this is a waste of money, but rather realize that the message we should be sending to the rest of the Nation is that our Nation's Capital is a safe, healthy, and beautiful place to raise a family and that is what we want for the rest of our Nation, as well.

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

Mrs. MURRAY. When I am finished.

Mr. President, last year, it is my understanding, when I was not here, the Congress was asked to appropriate $31 million for the Nation's Capital. That money was taken out of the budget because of a threat of a President's veto.

This is not money that has not been talked about. This is money that this community has looked to help make our Nation's Capital a better place to live.

Mr. President, I urge my colleagues to care about the people that they see every day as they drive to work and to appropriate the money and to defeat this amendment.

Thank you, Mr. President.

Mr. BURNS. Will the Senator respond to a question, please?

Mrs. MURRAY. I yield for a question.

Is this on the time of the Senator from Montana?

The PRESIDING OFFICER. It is on the time of the Senator from Washington. There is no further time on the other side.

Mrs. MURRAY. I will use my time.

I will yield for a question.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, in the President's "Vision for Change in America," in the request for this $28 million, and also by the statement of the OMB that it creates no jobs—none—none of it is even earmarked to do any of the programs. That is what they say we would like to do or we have the opportunity to do.

Is it not the contention of the Senator from Washington that the real purpose of this appropriation, as requested by the administration, is to deal with the deficit that the District has put on itself?

I think it is page 35, District of Columbia.

Mrs. MURRAY. Yes.

Because the District of Columbia did not receive the $31 million that was requested before, this money will have to go to pay off the debt that is there.

When they have done that, they will then have the ability to move on. I think we ought to give them that opportunity.

Thank you, Mr. President.

I yield back my time.

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

The PRESIDING OFFICER. Seventeen minutes 38 seconds.

Mr. BYRD. How much time remains on this side?

The PRESIDING OFFICER. Seventeen minutes and a half.

Mr. BYRD. How much on the other side?

The PRESIDING OFFICER. There is no time remaining on the other side.

Mr. BYRD. Does the Senator want some additional time?

Mr. BURNS. Not necessarily. I just want to remind Senators of the real purpose of the $28 million.

If the other side would have some time to yield, and if I have other Senators that want to speak in support of this, I thank the chairman of the committee for that.

The PRESIDING OFFICER. The President pro tempore.

Mr. BYRD. Mr. President, what is the time set under the order for a vote?

The PRESIDING OFFICER. There is no time set.

Mr. BYRD. Very well.

Mr. President, I have 17 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. How much time does the Senator want?

Mr. NICKLES. Three minutes.

Mr. BYRD. I yield 3 minutes to the Senator from Oklahoma.

How much time does the author of the amendment want?

Mr. BURNS. I may have another speaker.

I also request 3 minutes.

Mr. BYRD. I yield the Senator from Montana 3 additional minutes.

Mr. BURNS. I thank the chairman of the committee.

The PRESIDING OFFICER. Who seeks recognition?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I thank the chairman of the Appropriations Committee.

I might mention, I thought we had worked out an arrangement to have a vote at 11:30. Be that as it may, we can yield back the remainder of the time.

I just want to make a couple of additional comments. I appreciate the comments that were made by the Senator from Washington about the desire to have more money and the desire to have a capital that we can be proud of.

But the District of Columbia is not a capital, in many cases, that we can be proud of. But the result is not because we are not putting enough money in it. We are funding billions of dollars. I mentioned the fact that the Federal payment has grown from $276 million in 1980 to $631 million.

But I will tell the chairman of the Appropriations Committee, this fiscal year the District of Columbia will also receive, in addition to the Federal payment of $631 million, the $977 million in Federal grants and reimbursements this fiscal year.

In other words, the Government is funneling billions of dollars into the District of Columbia and, in spite of that fact, it is leading the Nation, or is one of the top cities, in murder.

I wish that it was not. We have even had some staff members who have been murdered just a few blocks from the Capitol. And in the last several

months, I think we have had—well, I know we have had—many more murders in the District of Columbia than we have had deaths caused to American soldiers, and so on, in Somalia, or enforcing the no-fly zone in Iraq, and so on.

This is a dangerous Capital. It has many problems. But the problems that we now find in the District of Columbia will not be solved by throwing out another $28 million.

As the Senator from Montana said, this $28 million will not create an additional job, and certainly it is not an emergency.

So I just urge my colleagues, I think this is a small step toward fiscal responsibility. The reason we have the amendment is because this stimulus package, so-called stimulus package, has $28 million for the District of Columbia. It does not belong in this package. It should not be in this package. All it does is increase the deficit.

I think the Senator from Montana has a good point, he has a good amendment, and I hope my colleagues will concur.

I thank the Senator from West Virgina.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, just to give you an idea, it does not stop here, as far as the payments to the District is concerned. I guess what really bothers a lot of us, who maybe came out of local governments, is that this is handled differently than we handle any other local government in this country; any other one.

You have the Federal payment to the District of around $28 million; $177,000 in straight-out Federal payment; the Department of Agriculture, to replace deteriorated water lines at the Arboretum, $2 million; $79,000 in WIC; Emergency Food Assistance Program, $63,000; Interior and related agencies, funds to address critical maintenance and repair backlogs, $13 million.

We could go on and on and on about the different programs that go into this special place. And I will tell you that this is a special place and we should keep it a special place. It is different, probably, than any other place in the country, because we host about 10 million folks here a year just in tourism. It is a great tourism attraction.

But you have to remember that when we talk about all this money from the Federal Government that goes to the District of Columbia, they levy taxes here. They have a tax base. There is a bed tax to take care of that. Taxes here, to say the least, are not the lowest of anyplace in the country.

So it is treated different from any other place in the country because it is a little bit different. But what this $28 million says is it is OK to be inefficient. It is OK, you do not have to use your brain or find some new way of getting some things done. We say, "Waste the money and Uncle Sam will come along and pick you up."

I went through the 1980's in Montana, when it was pretty tough. We even had a thing called I-105. They froze all the property taxes. I think it happened out in Washington, too. And we had to deal with that. We did not hear Uncle Sam coming out there and saying, "Here is some money because you have shortfalls." We did not see any of that in the 1980's, not in my State, anyway. I did not see anybody come out saving my farmers or saying keep property prices up so we had a tax base we could levy against. Our mils were frozen—went down.

Do you know what we did? We did a 5-year budget. If you do a 5-year budget—this happened this year—it affects 5 years out. Do you know what? We in Yellowstone County got along pretty well. We could not even do a 2-year budget in this body to tell us what we are doing and they are sure not doing a 5-year budget downtown in the District of Columbia, Washington, DC.

The PRESIDING OFFICER. The Senator has spoken for 3 minutes.

Mr. BURNS. I thank the Chair and chairman of the Appropriations Committee for the additional time. I yield the floor.

Mr. BYRD. I yield to the distinguished senior Senator from Ohio, 2 minutes.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I came on the floor not expecting to speak on this subject. But I would be remiss if I did not stand and indicate the audacity of this proposal. We here in the U.S. Congress refuse to give the District of Columbia the opportunity to participate fully in our Government, giving them statehood. We also do something else. We have Federal buildings located all over the area and do not permit them, as a consequence, to be able to have the normal kind of a tax base.

This is a community that is in trouble and it is just unbelievable to me that some Members of the U.S. Senate would try to take away the small amount of subsidy that we provide to help the District of Columbia meet its daily challenges. We all know the problems that exist in this community. We know the difficulty. We know the poor that live in this community. We know the unemployment that exists in this community. I am aware of the fact it exists elsewhere in this country, but other parts of the country have an opportunity, through their State and their city government, to do something about it. We as the Federal Government hover over this situation and we make that not possible.

I believe the idea of taking away the $28 million that is provided in this bill is audacious, it is cruel, it is inhumane, and shows an indifference to the concerns of our fellow human beings. We have some responsibility, those of us who participate in Government, to have a concern about those who live in the District of Columbia. I believe those who support taking away the $28 million should not stand tall, and cannot stand tall today.

I will vote against taking away the $28 million. I hope my colleagues will do the same.

I yield the floor.

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

The PRESIDING OFFICER. The Senator has 7½ minutes.

Mr. BYRD. Mr. President, for those who oppose statehood for the District of Columbia—and I am one of those—let me say, to those who oppose statehood, amendments such as this are undermining your arguments, undermining your case. The people in the District of Columbia are still U.S. citizens. Are we going to deny them the benefits that are in this bill for other U.S. citizens around the country? The Senator has referred to such programs as Head Start, WIC, Pell grants.

It seems to me the Senator is suggesting that the people of the District of Columbia—they are U.S. citizens—are to be excluded from the programs that are being funded in this bill for other U.S. citizens throughout the country.

There has been something said about the removal of the funds for the Mayor's Youth Initiative. The fiscal year 1993 D.C. bill included $31 million for the Mayor's Youth Initiative. That was in accordance with an agreement that had been worked out between the Congress and the Mayor and the governing body of the District of Columbia. That was in accordance with an agreement. Yet, when President Bush threatened a veto, the Congress removed the funds, placing the city budget out of balance. It was our agreement, but under the threat of a veto by President Bush, Congress, in order to keep the appropriations bill from being vetoed, removed the funds.

To meet the shortfall, many cuts were required as a result of Congress' having to remove those funds in the face of a veto threat. Many cuts were required, including the summer youth employment. This appropriation restores funds for 5,000 of those jobs. It restores funds to train public housing residents for jobs and to put police officers out on the street; take them out from behind the desk, put them out on the streets.

I am as outraged by the crime in the District of Columbia as is any other Senator. But the purpose of this is to put 200 policemen out on the streets. After we help to deal with the shortfall, we are going to make it possible for the District of Columbia to put po-

licemen on the streets. The $28.2 million in the bill for the District of Columbia is a microcosm of the larger stimulus investment package. It includes money for 5,000 additional summer youth jobs—give these young people a job during the summer—and it includes money to take 200 police officers from behind the desks. They cannot protect citizens sitting behind a desk. Put them out on the streets. Let them be seen. Let them go after the criminals.

It includes apprenticeship and preapprenticeship programs targeted to public housing residents and includes money to seek out, as I have already said, summer jobs and to immunize children under 2 years of age—to immunize children under 2 years of age this summer. Why not immunize the children in the District of Columbia? We want to immunize other children throughout the country, and we should. Let us immunize the children under 2 years of age in the District this summer.

Let me point out that no District of Columbia employee has received a pay raise in 3 years, including police, teachers, and firefighters. The council enacted a 1994 D.C. appropriations bill that we will consider is balanced. Now, get this, it calls for the elimination of more than 3,000 government jobs. And this is in addition to 4,000 positions cut since Mayor Kelly took office in 1991.

Mr. President, let us not start chipping away at this package. We can chip a little here and we can chip a little there. But remember Phoebe Cary's poem about the young man who put his finger in the dike, and by the strength of a single arm, he held back the sea from flooding the village. Now chip a little of this out and we will chip a little more somewhere else and we will chip a little more. These funds are needed, and no case can really be made against this appropriations. It will stand the light of day.

Mr. President, how much time remains?

The PRESIDING OFFICER. Thirty-eight seconds.

Mr. BYRD. Mr. President, I move that the amendment be tabled, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table Nickles amendment No. 285. The clerk will call the roll.

The bill clerk called the roll.

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

The result was announced—yeas 57, nays 43, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—57

Akaka	Feinstein	Metzenbaum
Baucus	Ford	Mikulski
Biden	Glenn	Mitchell
Bingaman	Graham	Moseley-Braun
Boren	Harkin	Moynihan
Boxer	Hollings	Murray
Bradley	Inouye	Nunn
Breaux	Johnston	Pell
Bryan	Kassebaum	Pryor
Bumpers	Kennedy	Reid
Byrd	Kerrey	Riegle
Campbell	Kerry	Robb
Conrad	Kohl	Rockefeller
Daschle	Krueger	Sarbanes
DeConcini	Lautenberg	Sasser
Dodd	Leahy	Simon
Dorgan	Levin	Warner
Exon	Lieberman	Wellstone
Feingold	Mathews	Wofford

NAYS—43

Bennett	Faircloth	McConnell
Bond	Gorton	Murkowski
Brown	Gramm	Nickles
Burns	Grassley	Packwood
Chafee	Gregg	Pressler
Coats	Hatch	Roth
Cochran	Hatfield	Shelby
Cohen	Heflin	Simpson
Coverdell	Helms	Smith
Craig	Jeffords	Specter
D'Amato	Kempthorne	Stevens
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	
Durenberger	McCain	

So the motion to lay on the table the amendment (No. 285) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized

THE WACO STANDOFF

Mr. DECONCINI. Mr. President, as the 1-month-old standoff between Federal agents and members of the Branch Davidian cult in Waco, TX, continues, not a day goes by that I don't read quotes from unnamed sources in various press accounts criticizing the Bureau of Alcohol, Tobacco and Firearms for its handling of the raid against David Koresh and his followers. The reports criticize the raid itself, the training levels of the agents involved, the preparation of Federal agents to withstand a firearms assault, the coordination of the operation with other law enforcement agencies, and the methods Federal agents are employing to bring the standoff to a close.

Mr. President, I must tell you, I am offended by the tactics of the press to use anonymous sources to undermine the credibility of ATF and its law enforcement agents, particularly when it is still overseeing a very volatile law enforcement operation. A tragic thing happened on February 28, 1993, in Waco, TX. Four young and brave law enforcement agents of the Bureau of Alcohol, Tobacco and Firearms lost their lives; 16 agents were wounded and 2 civilians fatally shot during a shootout between Federal agents and members of the Branch Davidian cult. Since February 28, an estimated 350 Federal, State, and local law enforcement agents have surrounded the compound in Waco. They have used negotiations, threats, and prayer to try to convince the individuals inside to come out and give themselves up. To date 35 individuals have left the compound, including 21 children. By the best accounts available, approximately 95 individuals remain inside the compound, including 17 children.

Until the standoff is over and a full review of the operation completed, no one can really know the facts surrounding this very fateful operation. What we do know, however, is as follows. First, that ATF initiated an investigation into the illegal activities of David Koresh and his followers in June of 1992, for firearms and explosives violations. Second, that search warrants were secured with the approval of the U.S. attorney's office to be executed on the morning of February 27. Third, that based on undercover agents inside the compound, children and women were to be isolated from the men and the weapons on Sunday mornings. Fourth, that 50 ATF agents along with 75 State and local law enforcement officers, attempted to execute the warrants on the Davidian compound. Fifth, as Federal agents prepared to enter the compound, a massive gunfire battle broke out and agents and civilians were left for dead. From that gun battle, we know that the Branch Davidians were heavily armed with machineguns and semi-automatic assault weapons. We also know that David Koresh and his followers received information prior to the raid that the raid was imminent.

Mr. President, having spent a good deal of my career both here in the Senate and prior to that as a county prosecutor working with the Bureau of Alcohol, Tobacco and Firearms, I can attest to the professional reputation of this agency and its employees. Their work in bringing armed career criminals to justice is unsurpassed. In 1992 alone, ATF agents were responsible for the arrest of 12,314 individuals for firearms violations with 11,406 being recommended for prosecution. The ATF National Firearms Tracing Center is extensively used by Federal, State, and local law enforcement agencies to bring criminals using firearms to justice. In fiscal year 1992, ATF conducted over 62,000 gun traces. It was ATF who traced the gun to the suspect in the CIA executions which took place in McLean, VA. Steve Higgins, Director of the Bureau of Alcohol Tobacco and Firearms, is a career enforcement officer. He has spent 32 years working for ATF and for the past 11 years has been its Director. Steve Higgins is dedicated

to ensuring that the Waco operation in all its components receive a full and thorough review when the operation is over. The operative words here are—when the operation is over. Right now this man needs to devote all of his time and attention to bringing the Waco standoff to an end.

The ATF I know is not a renegade Federal agency that has lost direction. Instead, it is one of the most effective and professional law enforcement agencies at the Federal level. The work it does in the violent crime area is unparalleled in the law enforcement community. In addition, ATF has a close working relationship with State and local law enforcement. It has this relationship because it uses all the resources available to it to help provide the investigative support to State and local agencies to help arrest and prosecute repeat felons.

Sitting on the sidelines and second-guessing the decisions made by ATF in executing the Branch Davidian search warrants will not bring the standoff any closer to an end. It will not bring back the four slain officers who lost their lives trying to protect innocent American citizens. What it will do, however, is erode the morale of the brave and dedicated agents who continue their battle against violent crime each and every day on the streets of communities all across this Nation. It will continue to inflict pain on the families of the agents lost. And, it will undermine a successful and peaceful outcome to the standoff. Dewey Stokes, president of the Fraternal Order of Police, states with reference to ATF, "ATF is in the classic street cop situation—damned if they do; damned if they don't—and, in my opinion, in no position in the middle of delicate negotiations to fully answer self-serving critics." To me, Mr. President, that says it all.

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

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

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The Senate continued with the consideration of the bill.

AMENDMENT NO. 286

(Purpose: To reduce deficit spending by prohibiting emergency stimulus appropriations from being spent on gymnasiums, parks, boathouses and other activities)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 286.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In amendment No. 283, strike all after "inserting" on page 20, line 14 through "$2,536,000,000," on page 26, line 7 and insert in lieu thereof the following: "'$18,251,309,430": *Provided*, That section 310(c) of said Act is amended by renumbering existing subsection (2) as subsection (2)(B) and by adding a new subsection (2)(A) as follows:

"(2)(A) ninety days after distribution of any increase in the fiscal year 1993 obligation limitation, as enacted October 6, 1992, revise the distribution of such increased funds under subsection (a) if a State has not obligated and received bids on projects for the increased amount distributed, and redistribute amounts to all States able to obligate amounts on projects for which bids can be received no later than August 1, 1993;".

Provided, none of the funds provided under this Act for community development grants or the highway trust fund may be used to assist activities related to gymnasiums, parks graffiti abatement, bike paths, parking garages, parking lots, swimming pools, recreation centers, sports facilities, boat houses, soccer fields, ice skating, playgrounds, jogging paths or hiking trails.

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation", for capital improvements grants, $187,844,000 to remain available until September 30, 1993.

FEDERAL TRANSIT ADMINISTRATION

FORMULA GRANTS

For an additional amount for "Formula grants" for capital grants, $466,490,000, to remain available until September 30, 1993, of which $17,423,000 shall be apportioned under section 16, $26,420,000 under section 18, and $422,647,000 under section 9 of the Federal Transit Act, as amended: *Provided*, That, if any such funds are not obligated within 90 days of enactment of this Act, such funds shall be allocated for any eligible capital project under such Act, at the discretion of the Secretary.

The language under this heading in the Department of Transportation and Related Agencies Appropriations Act, 1993, is amended by deleting "$1,700,000,000" and inserting in lieu thereof "$2,182,340,000".

TRUST FUND SHARE OF TRANSIT PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

The language under this heading in the Department of Transportation and Related Agencies Appropriations Act, 1993, is amended by deleting "$1,134,150,000" and inserting "$1,150,000,000" and by deleting "$1,049,025,000" and inserting "$1,064,875,000": *Provided*, That these additional funds shall be appropriated under section 9 of the Federal Transit Act, as amended: *Provided further*, That if any such funds are not obligated within 90 days of enactment of this Act, such funds shall be allocated for any eligible capital project under the Federal Transit Act, at the discretion of the Secretary.

DISCRETIONARY GRANTS

For an additional amount of "Discretionary grants", $270,000,000, to remain available until September 30, 1993: *Provided*, That none of the funds may be available for grants under section 3(k)(1)(A) or section 3(k)(1)(B) of the Federal Transit Act, as amended.

CHAPTER IX

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

INFORMATION SYSTEMS

For an additional amount for "Information systems", to fund procurement of computer and telecommunications equipment and services.

CHAPTER X

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

For an additional amount for "Medical care", $201,933,000, for nonrecurring maintenance projects in Department of Veterans Affairs' health care facilities.

For an additional amount for "Medical care", $751,000, to remain available until expended, for additional projects to improve energy efficiency of Department of Veterans Affairs facilities.

DEPARTMENTAL ADMINISTRATION

CONSTRUCTION, MINOR PROJECTS

For an additional amount for "Construction, minor projects", $32,873,000, for miscellaneous projects and the National Cemetery Program.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOMELESS ASSISTANCE

TRANSITIONAL AND SUPPORTIVE HOUSING DEMONSTRATION PROGRAM

For an additional amount for "Transitional and supportive housing demonstration program", $423,000,000, to remain available until December 31, 1994: *Provided*, That the Secretary shall fund approvable applications for such additional amount in the order submitted, in accordance with requirements established by the Secretary: *Provided further*, That the Secretary may waive, in whole or in any part, any requirement set forth in subtitle C of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended, except a requirement relating to fair housing and nondiscrimination, if the Secretary finds that such waiver will further the purposes of this appropriation: *Provided further*, That notwithstanding section 426(a)(3) of that Act, the applicant shall own or control the site at the time of application: *Provided further*, That the total amount approved for any one applicant may not exceed $10,000,000: *Provided further*, That after December 31, 1994, any of the foregoing amount that is obligated, but which the grantee has not drawn down from its letter of credit, shall be deobligated by the Secretary and shall expire: *Provided further*, That the Secretary shall, by notice published in the Federal Register, establish such requirements as may be necessary to carry out the provisions of this appropriation.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

For an additional amount for "Community development grants", $2,392,119,355.

Mr. GRAMM. Mr. President, we spent the day before yesterday and yesterday on a series of amendments that tried to target, by name, various projects that are contained in the ready to go list submitted by the National Conference of Mayors and that would be eligible for funding from the community development block grant program and under the highway trust fund formula, whereby money would be allocated to our cities and States.

The distinguished Senator from Colorado offered an amendment that would have knocked out some 46 of those projects by name, and we spent a considerable amount of time on the floor of the Senate debating those projects.

We then had an effort to drop out the entire category of community development block grants. Both of those votes were very close. In fact, a procedural vote on the amendment of the Senator from Colorado actually carried the day before yesterday before being reversed the next morning.

What I have tried to do here is offer a reasonable compromise that I hope will garner support from the Senate. From the list of the projects that the Secretary of Housing and Urban Development and the Secretary of Transportation have said they will use as the basis for making these grants, I have identified several categories. We can talk about water towers that need paint, but the truth is that unless we go visit those places and look at the water tower, we do not know whether it needs painting or whether it does not need painting.

What I have tried to do in this amendment is to stay away from specific projects, but instead have tried to outline a broad prohibition on the use of funds for specific kinds of projects—not to say that those projects do not have merit, but to say that given that we are dealing with an emergency measure, given that we are borrowing every dollar we are spending, given that we are already running a $300 billion annual deficit, that these broad categories do not represent worthy Federal expenditures, noting that the cities and States involved could fund these projects if they wished to do so.

Let me just review the categories. In fact, the language is very simple. Let me read the relevant parts and then talk about the money involved, and then try to go back and define where we are in the debate and why this amendment really makes eminently good sense.

The amendment basically says that in this emergency bill where we are going to spend some $16.3 billion, "None of the funds provided under this act for community development grants or the highway trust fund may be used to assist activities related to gyms, parks, graffiti abatement, bike paths, parking garages, parking lots, swimming pools, recreational centers, sports facilities, boathouses, soccer fields, ice skating rinks, playgrounds, jogging paths, and hiking trails;" that whatever we spend money for in this economic stimulus package, none of those funds can go for a project that falls within any of these categories: gymnasiums, parks, graffiti abatement, bike paths, parking garages, parking lots, swimming pools, recreational centers, sports facilities, boathouses, soccer fields, ice skating rinks, playgrounds, jogging paths, and hiking trails.

Since we are borrowing every penny we are spending in this bill, the second part of the amendment is that I go back and identify proposals that fall within these categories in the ready-to-go project list that has been submitted by the mayors. I go back and add up the cost of gyms and parks and graffiti abatement and bike paths and jogging paths, and they total up to—at least given my ability to identify them—$143,880,665, coming out of community development block grants, and $51,690,570 coming out of transportation funding, giving a grand total of $195,571,235. This amendment reduces the total level of funding in the bill by that amount.

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

Mr. GRAMM. I will be happy to yield.

Mr. BYRD. I was distracted while the Senator was speaking. Would he repeat how he arrives at this figure of $195 million?

Mr. GRAMM. I will be happy to respond.

What I did is I went through the ready list of projects cited when the Secretary of Housing and Urban Development and the Secretary of Transportation went to our local government entities and our States and asked, "If we all of a sudden came up with money, what are the projects that you would like to fund?"

The idea of the administration was to basically show that there were ready-to-go-projects, and if the money was provided, they could be funded. I made it very clear in my discussion that there is no guarantee that each and every one of these projects would have been funded, but my objective in the amendment is to add a guarantee, a guarantee that no gymnasium, park, graffiti abatement, or bike path—and I repeated the list twice, so I will not use up the time of the Senate to go through it again—that none of these projects will be funded. And, in turn, since we are talking about borrowing every penny that we are spending, I also reduced the level of overall funding in this bill by the $195 million that they would cost.

Let me explain to my colleagues where we are and why this amendment is relevant and why I hope it will be adopted. First of all, it is very important for people to remember that last Thursday we adopted a budget, and all through the weekend, Members of Congress and the President pounded their chests and said: We have finally done something about the deficit. We have finally taken definitive action. We have done something about spending.

Well, Mr. President, here it is Wednesday, and we have before the Senate a bill that will spend $16.3 billion of new money. This bill is technically illegal because we have a spending cap that was adopted in 1990 that would require that if we spent this money, we would have to reduce spending across the board in other programs to pay for it. Therefore, we have an extraordinary provision in the bill where we designate this spending as an emergency, so that we can spend $16.3 billion, but we perpetuate this fiction that we are not spending it; we raise the deficit by $16.5 billion, but by this procedure, we claim we are not raising the deficit by $16.5 billion, and we borrow $16.5 billion, but for the purpose of this bill, by designating it as an emergency, we get around the fact that the law of the land would prohibit us from spending the money, unless there was an across the board cut to offset it.

One of the reasons that this is so harmful—besides the obvious fact that one could draw an analogy between someone going on the wagon on Thursday and then here on Wednesday, is back drinking the devil's brew with $16.3 billion of totally new spending—why this is so important is because the budget that we adopted had so little in spending control measures in it. I would like to run over these numbers because, quite frankly, I find them startling. I am going to talk about some economic news in a minute, and I think people will begin to see why there is a declining consumer confidence and why people are beginning to react economically to this budget.

Under the budget that was adopted on Thursday, as compared to current law, in 1994, total spending actually goes up, relative to what would have happened had we not passed the budget, by $1.3 billion.

In 1995, spending actually goes up by $0.7 billion, relative to what would have happened had we not passed any budget.

In 1996, spending—and all of this is defense—goes down by $15.8 billion.

My point is that with new spending of $16.3 billion today, we are spending more money than we will save over the next 4 years under the budget we adopted. Let me repeat that. The bill that is now before the Senate, which through an extraordinary rule, so that we do not have to count it as part of our budget, so we do not have to violate the 1990 law which says there is a cap on discretionary spending, if we adopt this bill, we are getting around that law and we are spending money without having to offset it. That is a new expenditure of $16.3 billion.

It will not be until somewhere toward the end of 1997—1993, 1994, 1995, 1996, 1997. It will not be until somewhere in the second half of 1997 that we will save as much money under the budget that we adopted on Thursday in terms of spending control. We will not, by the middle of 1997, have saved as much money as we are going to spend today in this bill.

Mr. President, I wonder if the American people know that with all this talk about fiscal restraint, with the $295 billion in new taxes, with the taxing of Social Security benefits on modest income retirees, with the taxing of every working family in the name of an energy tax, I wonder how many people know that in this one spending bill that we are considering today we are going to spend more money in one stroke than will be saved in the next budget through the middle of 1997.

Mr. BYRD. Will the Senator yield?

Mr. GRAMM. I am happy to yield.

Mr. BYRD. I do not mean to break the Senator's soliloquy. I wonder if the American people know that what the Senator has just said is patently untrue.

Mr. GRAMM. Mr. President, I ask unanimous consent that this table may be printed in the RECORD at this point.

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

Total spending cuts in Senate Concurrent Resolution 18, the fiscal year 1994 budget resolution versus new social spending in the emergency supplemental appropriations bill:

NEW EMERGENCY SPENDING (OUTLAYS) $16.3 BILLION

[Billions of outlays]

	Total spending cuts in Senate Concurrent Resolution 18[1]	Cumulative spending cuts[1]
Fiscal year 1994	+$1.3	+$1.3
Fiscal year 1995	−0.6	+0.7
Fiscal year 1996	−16.5	−15.8
Fiscal year 1997	−29.8	−45.6
Fiscal year 1998	−40.6	−86.2

[1] These numbers are calculated from the Congressional Budget Office Current Law Baseline.

Mr. GRAMM. Mr. President, basically what this table, which I have now put in the RECORD—and let me see if I have another copy of it because I want to continue to talk from it—what this table shows is the spending restraint imposed in the budget that we adopted on Thursday as compared to current law that would have existed had there been no budget adopted.

The point is, what people do not understand is that not until 1997 and 1998 does that budget have any real spending control measures in it of any significance. There are more savings in 1998 than in the other years combined, all of which may or may not be produced based on what we have done by the time we get to 1998. I do not think many people understand that.

I think it is very important that they understand it, and when people every day are coming up to me—I am not sure that every Member of the Senate is having the same experience that I am—but every day people are coming up to me, looking me right in the face, making eye contact and saying, "Are you cutting spending first before you are raising my taxes?"

And I am afraid I have to look them right back in the eye and say, "For all practical purposes, there is not much in the way of spending reduction in this budget. In fact, in the $1.3 trillion that has to do with nondefense spending, over the whole 5 years of the budget we save about $7 billion and we are today talking about spending more than twice that amount."

Mr. BYRD. Mr. President, will the Senator yield?

Mr. GRAMM. I am happy to yield.

Mr. BYRD. Mr. President, when someone walks up to the distinguished Senator from Texas and looks him in the eye and says, "Are you cutting spending before"—what was it the Senator said?

Mr. GRAMM. Raising my taxes.

Mr. BYRD. Yes, "before raising my taxes." I would urge the distinguished Senator to brace himself and stand tall and look that person right back in the eye and say on the authority of the record that, "Yes, we have already cut spending." When that budget resolution passed the Senate we cut outlays $62 billion in the appropriations bill—outlays. And it does not have to wait for a reconciliation bill to do that. We have already cut $62 billion in outlays over the next 5 years as far as the appropriations 602(a) allocations are concerned.

Moreover, that $62 billion in budget authority—and that is what the Appropriations Committee really appropriates—in budget authority, when we passed that budget resolution we said to the Appropriations Committee, "In budget authority you are going to have $16-plus billion less in 1994, less than the cap that was set at the 1990 budget summit, and you are going to have $17-plus billion less in 1995 than was set by the cap at the budget summit. So there is $33.5 billion when that budget resolution passed the Senate and when it comes back in the conference report and still has that in it, we have already cut.

Now stand and look that person in the eye, stand up, look him in the eye, eyeball to eyeball, "Yes, we have already cut that." We have cut that before we increased any taxes, the Appropriations Committee has been ratcheted down, to those who want to ratchet down the Appropriations Committee. We already saved that. There will be that much less money that the Appropriations chairman can allocate to the 13 subcommittees.

I leave those figures, $33.5 billion in budget authority less than the caps that were set for 1994–95 at the summit and $62 billion in outlays over the next 5 years cut, cut, cut.

So, may I say to my friend from Texas, drink some of that West Virginia mountain water, and when those people come up to him and look him in the eye give them the answer from the record, from the record.

I thank the Senator for yielding.

Mr. GRAMM. Mr. President, I think it would take more than West Virginia mountain water. Perhaps they make other things in West Virginia that could convince me that we are, in fact, cutting spending; and, in fact, it might take a considerable quantity.

I want to respectfully say to our dear chairman from West Virginia, I spent a lot of my time as a young man trying to instruct my children that there were many things they should argue about—ideas being at the top of the list—but they should never argue about facts. They ought to go look them up.

I put my facts in the RECORD. What I put in the RECORD was a year-by-year scoring of spending reductions that are present in the budget that result from the adoption of the budget relative to current law.

There are a few things that are a little confusing in the sense that in 1990, we raised taxes by $150 billion and we promised people that we were going to save money for the ensuing 5 years. One of the things that we are in a little bit of a dispute about is that some people want to take the $150 billion-plus taxes and then not save money because we have those taxes. They want those taxes to live up to an old savings commitment.

But I am not going to get into a debate about those numbers. I put my numbers in the RECORD and I simply ask people to look at them.

Let me return to my amendment.

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

Mr. GRAMM. I am happy to yield.

Mr. BROWN. In looking through the amendment to the bill that is before us, I find on the old page 56, the following language:

Provided further, That the Secretary may waive entirely, or in any part, any requirement set forth in title I of such Act, except a requirement relating to fair housing and nondiscrimination, the environment, and labor standards, if the Secretary finds that such waiver will further the purposes of this appropriation.

My understanding is that the community development block grant section has in the statute now protections for the taxpayer that outline how this money is to be distributed.

Is it the view of the Senator that the waiver that is in this bill would then exempt the Secretary from the safeguards that are implied in the statute right now?

Mr. GRAMM. I think perhaps—and I would be happy to yield for the purpose—the Senator should pose the

question to the Parliamentarians through the Chair, as to whether he believes that to be the case. Perhaps it will take them a minute. If they are ready, I would be happy to yield for that purpose.

Mr. BROWN. I appreciate that. I will pose that inquiry in a few moments when, perhaps, the Parliamentarian has had an opportunity to review that language.

Mr. GRAMM. Mr. President, let me go on with my remarks.

My point is that when we are seeing, in a budget that we have adopted, very little in the way of control of nondefense spending, when we are looking at a period of time when we have to borrow every penny that we spend, that we should not be borrowing money to fund gymnasiums, parks, graffiti abatement, bike paths, parking garages, parking lots, swimming pools, recreational centers, sports facilities, boathouses, soccer fields, ice skating facilities, playgrounds, jogging paths, and hiking trails.

What my amendment does is it precludes either HUD or the Department of Transportation from funding any program that falls under these categories and it, in turn, lowers the level of funding in the bill by $195 million.

Why is this important? It is important, first of all, because we have not done much in the way of controlling nondefense spending.

Over the 5-year period in the budget on nondefense spending, we have relatively few savings. We are talking about today, on an emergency measure, raising the deficit by another $16.3 billion. I do not know how we can justify spending money under the circumstances on these projects.

When we are in the process of raising taxes on Social Security, saying that we are using the money to lower the deficit, or at least implicitly arguing that, I cannot justify taking money to spend on gymnasiums and parks and graffiti abatement and these other items that I have listed. That is not to say is that some of these projects may not be meritorious, but they are not that meritorious. When we are in the process of raising taxes on every working family with an energy tax, I cannot justify spending on these projects.

And so what this amendment does, without getting into each specific project, is it takes these broad categories and it says: "Don't fund these and save almost $200 million."

Why is this important? Well, I think it is important because we are beginning to see changes occur in the economy.

I refer to the New York Times of this morning: "Consumer Confidence Off Sharply."

Consumer confidence fell another 6 points, following an 8 point decline in February.

Now I know there are some people who are going to say, "Well, Mr. President, that is why we ought to borrow $16.3 billion and go out and build gymnasiums and parks and graffiti removal and spend money on these other projects or any other thing that is chosen."

But I do not think that is the problem. I think the problem is that the American public is finally discovering what is in the budget we have adopted. They have also finally discovered that, in the week following that budget, we are getting ready to launch a major new spending initiative and we are going to have to borrow every penny of that spending initiative, and, as a result of that borrowing, we are going to offset the savings achieved by the budget over a substantial period of time.

So I want to ask my colleagues to support this amendment.

Finally, yesterday, after we had an extended debate, I went back over to the Russell Building to attend a lengthy meeting on health care, because the next problem we have coming down the road after excessive spending, and after the budget, is health care.

While I was gone, several of my colleagues, in their eagerness to help me, spoke at some length about how it could be that I was voting to deny Texas over $600 million of funding in this bill; that somehow, perhaps, I was confused in not realizing that by opposing this bill that I was taking money away from my State.

And I thought a minute—when I heard it, when it was reported to me when I came back to my office—as to how either I was confused or they were confused. And then I decided that there was a difference; that apparently my colleagues thought that this money that we are spending in this bill was coming from heaven and, if we did not spend it, and the people of all 50 States, including Texas, did not get it, we would be worse off because of it.

I guess the difference in perspective is that the money we are spending, I do not believe—nor do I think there is any evidence to suggest it—is coming from heaven. It is, instead, being borrowed. It is obligating future generations to pay back not only the principal, but the interest.

And so, I do not see how I am helping my State or anybody else's State by borrowing $16.3 billion, by taking money away in a time of very tight credit from people who would use it to build new homes, new farms, new facilities—many of them in Texas—in order to fund the programs on the mayors' list. The money is not coming from heaven, it is coming out of the pockets of the working men and women of America. And when we do not take it from them it is not lost. It goes back to families to invest in the American dream. And that is what this debate is about.

Mr. BYRD. Mr. President, will the Senator yield at that point?

Mr. GRAMM. I will be happy to yield.

Mr. BYRD. Mr. President, speaking of money from heaven, what about the money for the superconducting super collider, which is being built in Texas? In following the concept the distinguished Senator is using here in his argument, is that money not being borrowed also?

Mr. GRAMM. If I might reclaim my time, Mr. President. I would vote against this bill, since we are adding new spending above the level set out in the budget. We are spending $16.3 billion, which is illegal in the sense that we have written a law setting a cap on spending which would require there be an offset, dollar for dollar, if we were not designating this as an emergency. I can assure my colleagues, if we were having to offset this spending that we would certainly be banning expenditures on gymnasiums and parks and graffiti abatement. But I do not seek to escape the law of the land with this emergency designation in order to spend money on any project in Texas, whether that project is graffiti removal or science. I do not think that is good policy.

I believe that the problem is the deficit. I believe that jobs come through the private sector. I think people are beginning to get frightened as they learn what is in the budget, all the new taxes, all the new spending. I do not think the American people believe we can tax our way to prosperity and job creation. I do not think the American people believe we can spend our way to a balanced budget. So I am not for spending this $16.3 billion.

But as strongly as I am opposed to spending this $16.3 billion, I am even more strongly opposed to the possibility that we could spend it on things like gymnasiums and parks and graffiti abatement and bike paths and parking garages.

What I am trying to do with this amendment, without getting into each specific line item, is to set out these categories, prohibit spending this emergency money on them, and on behalf of the American taxpayer, especially the people who are going to pay new taxes on Social Security and the people who are going to pay new taxes on energy—I want them to pocket the savings of $195 million. That is the objective of my amendment.

My point from yesterday is a very simple point. That is that several of my colleagues spoke as if somehow Texas was a loser if this bill did not get passed. It is true that there is $600 million in this bill for Texas. It is also true that the $16.3 billion in this bill that we will borrow will be taken away from people who would build new homes, new farms, new factories, in Texas, in Nebraska, in West Virginia, in Colorado, and all over America. I do not think, under the circumstances, that it is a good bargain to be borrow-

ing this money. I certainly do not believe that it is a good bargain to be borrowing this money for this purpose. That is why I have offered the amendment. The amendment, I think, speaks for itself. And I hope my colleagues will support it.

I think we can spend an endless amount of time debating other spending programs. We clearly have different priorities. I am not trying to eliminate the Federal Government here. I am not trying to say that there are not many things the Government does that deserve support. I personally believe the Government underfunds law enforcement. I think the Government underfunds prison construction, but I would not vote now to borrow new money and to violate our spending caps in order to build new prisons. I would note to take money away from other purposes and build prisons. I can tell you that right now. But that is not the purpose of this amendment.

I am not trying to disassemble Government here, or say that I am against everything Government does. I am here saying I am against our Government taxing Social Security beneficiaries and working families and at the same time be funding gymnasiums, parks, graffiti abatement, bike paths, parking garages, parking lots, swimming pools, recreational centers, sports facilities, boathouses, soccer fields, ice skating facilities, playgrounds, jogging paths, and hiking trails.

What I want to do in this bill is say you cannot spend money for these purposes. I hope my colleagues will agree to prohibit spending for these purposes and that they will vote to save the American taxpayer $195 million.

Several Senators addressed the Chair.

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

Mr. GRAMM. I will be happy to yield.

Mr. BROWN. I rise because I was interested in the question posed by the distinguished Senator from West Virginia. As I understand it, this bill is over budget; that is, the amount expended will exceed the amount that was planned for in the budget resolutions?

Mr. GRAMM. This bill is not only over budget, but without the emergency designation this bill would violate the law of the land that we adopted in 1990.

If we adopted this bill—first of all, it would have taken 60 votes to bring this bill to the Senate floor because I, or others, would raise a point of order. But more important, had we adopted this bill under current law through traditional procedures, we would have had to have cut a similar amount across the board in discretionary spending programs to pay for it. That is the law of the land. The taxpayer, in 1990, paid over $150 billion to get that spending control. Now, by designating this bill an emergency, we are not going to deliver on our promise and we are going to spend this $16.3 billion. It is not going to be offset by spending reductions.

What I am trying to do is simply prohibit a fairly small amount of it from possibly being spent on those project categories that I have listed.

Mr. BROWN. The distinguished Senator has asked about projects, specific projects. Does his amendment eliminate projects in Texas as well as other States?

Mr. GRAMM. The prohibition applies to every State in the Union, Puerto Rico, Guam, and the District of Columbia.

Mr. BROWN. If I understood what my colleague said, he expressed a concern about spending that exceeds the budgetary levels that are planned on. Does the Senator favor spending for projects that exceed the budget and require borrowing, whether they are in Texas or not?

Mr. GRAMM. Let me basically tell my colleague what I think is the legitimate test. One of the little games that is played here on the floor is the game that, if you are against violating spending caps or busting the budget, then, presumably, you have to be against everything in the budget. If there is one thing Government does, like the FBI, if you oppose waiving the spending cap or busting the budget but you are for funding FBI, then somehow you are inconsistent.

My basic position is this. I believe we ought to write binding budgets. I have introduced bills to mandate deficit reduction and mandate a balanced budget by the end of the century by setting caps on spending to achieve a balanced budget. Once we have set those caps, I am going to fight within those caps for my priorities. What are my priorities? I do not think we spend enough, relatively speaking, on law enforcement. I would like to build more prisons. There are a lot of people out brutalizing our people, engaging in predatory behavior, who ought to be in prison. So even within the constraint that I want to balance the budget, within that constraint I am going to vote to take money away from other things to build prisons.

I think we underinvest, relatively speaking, in science. If the budget were half the amount it is today, I still would believe that we ought to spend the same amount we are spending today on science. Twenty-five years ago we spent 5.2 percent of the budget on science. Today we spend 1.9 percent of the budget on science. But while we are investing less in the next generation, if you look at these programs you can see that we are making ample investments in the next election.

So my point is, do any of my colleagues here want to say, "Let us cut spending this year by $50 billion. Will the Senator from Texas join me in that amendment and say that we cannot spend beyond that limit even if it means cutting programs in West Virginia or Texas to do it, and we set out the cap on spending and then we fight it out to see which projects deserve funding? I challenge any of my colleagues to offer such an amendment and ask me to cosponsor it. I say now that I will do it.

Now, I am not going to let our colleagues say, "Why don't we offer an amendment that terminates every program in law enforcement and every program in Texas but nobody else's programs; why don't you cosponsor that?"

I think it is important that we recognize that we each have two responsibilities: One responsibility as U.S. Senators is that we have a responsibility to the country. I believe in this matter it means fiscal restraint. It means setting binding spending limits. I am for a balanced budget amendment to the Constitution.

The distinguished Senator from West Virginia raised a question about the superconducting super collider. Do I believe it might be affected by a balanced budget amendment to the Constitution? It might very well be affected. Am I for the SSC? Yes. Am I for a balanced budget amendment? Yes. I am for a balanced budget amendment, and today I would vote for it.

Then within those constraints, we would have to fight it out as to what our priorities are. But I remind my colleagues today, we are not talking about setting priorities. We are not talking about making hard choices. We are talking about $16.3 billion of new spending that we are never going to pay for and that violates the existing spending caps which are the law of the land, and through a little ruse called an emergency designation, we are going to spend the money but we are going to say it is not spending and it is not deficit.

Mr. DORGAN. I wonder if the Senator from Texas will yield?

Mr. GRAMM. It is deficit, and we are going to have to borrow every single penny of it. That is the point.

I will be happy to yield.

Mr. DORGAN. Mr. President, I appreciate the Senator from Texas yielding to me. He was talking about the responsibilities of Members of the Senate. I think he omitted one. The one that I think is important for us to talk about is the responsibility for all of us in the legislative body—and especially the U.S. Senate—to confront problems head-on, to understand what they are and to deal with them.

One of the problems in this town for a long, long while has been the tendency to ignore the problems and to act as if they do not exist. We have been through the last several years with a President who said, "What recession?

Gosh, the country is not in a recession; we don't have any problems." Our responsibility is to confront the situation we find ourselves in and deal with it.

The President has submitted to us a plan. I understand that the Senator from Texas does not like the plan and probably will not vote for it.

But the President has submitted a plan with three essential elements. One element is to cut some spending because we have too big a deficit. Before we do anything else, we have to reduce the deficit so the ship can sail on with a little lighter load. The first element of the President's plan reduces the deficit with spending cuts.

The second element uses some increased taxation to reduce the deficit. I understand that the Senator from Texas does not like this element of the plan, but some of us believe that it is necessary even though it is painful medicine.

And the third element is what we are discussing today, which is to stimulate the economy with an investment package. Some of us think it is important to try to jump-start the economy. For several years, we have had people in the White House who said the economy does not have any problems at all. They told us that we were not even in a recession. But that optimism was wrong, and now we have to face the situation our economy is in.

President Clinton has proposed a three-point plan that fits together. Now will it work? I hope it works. I do not have a crystal ball, so I don't know that it will work, but I do know this: We cannot continue doing what we were doing for the last decade. We need fundamental economic policy change. That is what this President proposes, and this component of that change, which is an investment package, tries to separate investment from expenditures.

I think the Senator from Texas would understand there is a difference. The Senator picks out science, which I think is important. I can pick out immunization of children. Investment? Of course it is an investment. It saves lives, saves money. Spend a few cents giving a child an immunization so they do not get the measles; they do not risk death and they do not exhibit the enormous medical costs from a severe case of measles. Is that an investment? Of course it is.

I just say to my friend from Texas that this President's package has three essential parts that fit together. And those of us who believe in fundamental economic policy change, which I think this represents, will keep fighting for us to move ahead, embrace this package, adopt it, and put the country back on track.

I appreciate the Senator from Texas yielding to me.

Mr. GRAMM. Mr. President, reclaiming my time, I will answer those points, and then I will yield the floor. I apologize to my colleagues for being on the floor so long.

First of all, let me talk about the plan itself. What I have done is offer an amendment today which simply tries to prohibit use of the funds in this bill for purposes such as gymnasiums, parks, graffiti abatement, and the list goes on down to hiking paths.

What I am doing is establishing these broad categories that would apply to every State in the Union, Puerto Rico, the District of Columbia, and Guam so that we can be sure that none of this money will be spent for these purposes. Now that speaks for itself. People are either for that or against it. I do not believe that those projects have anything to do with stimulus, not economic stimulus. It may have something to do with political stimulus, but it has nothing to do with economic stimulus.

Finally, to respond to the three points. Cutting spending: Throughout the campaign, the President said we are going to cut spending; we are going to reinvent Government. He talked about $3 of spending cuts for every $1 of new taxes.

And then in the confirmation process, his principal economic officers, Senator Bentsen and Congressman Panetta, said $2 of spending cuts for every $1 of taxes. And in the State of the Union Address that we all heard, the President said $1 of spending cuts for every $1 of taxes.

Now that CBO has looked over the budget we adopted in the Senate, compared it to what would be spent under current law, they have concluded that we are looking at $3.84 of taxes for every $1 of spending.

No wonder people come up to you on the street and say, "Are you really cutting spending before you raise taxes?" I think our rhetoric is so at variance with the reality that as people find out what is happening, they are going to be shocked about it and they are going to feel betrayed.

Our dear colleague talks about taxes, but the rhetoric of the taxes is that we are only taxing rich people. Since when did people getting Social Security benefits and earning $25,000 a year get rich? Since this proposal was made, that is when they became rich. Or working families paying an energy tax that some outside experts estimate could be as much as $500 a year. Those are very substantial taxes, and when you are talking about those taxes on working people and people of fairly modest means, I do not consider somebody retired earning $25,000 a year rich.

To try to protect the money that is being spent, knowing that it is coming from Social Security recipients, it seems to me we need an amendment like the one I have offered.

Finally, in terms of stimulating the economy, I agree with my colleague. It is a fundamental question of whether you think more Government as usual is the answer or more economic growth. I am not defending the status quo. We ought to have a balanced budget amendment to the Constitution. We ought to have zero-based budgeting, as President Carter proposed, and we ought to have to go through and justify every single program in the Federal Government on a periodic basis. The ones that do not meet muster, we ought to get rid of.

I do not see this bill changing the status quo. How does a program that could possibly allow spending on all of these items represent a change in the status quo? It is the status quo that has gotten us into this problem under Democratic and Republican administrations. That is why I have offered the amendment.

As a concluding remark, let me say that I really believe that the adoption of this amendment would improve the President's economic package. There would be many who would still vote against it. I suspect there might be others who would not. I cannot understand why we do not want to adopt this amendment if we really are concerned about a true economic stimulus.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. FEINGOLD). The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, I do not mean to hold the floor and field it out. I am prepared to speak against this amendment and then move to table.

But will the distinguished Senator from Colorado like to say something first?

Mr. BROWN. I thank the Senator. I would like to take about 10 minutes, if that meets with the Senator's approval.

Mr. BYRD. All right.

Mr. President, I have the floor and can move to table now, but I will yield to the distinguished Senator from Colorado for 10 minutes.

I ask unanimous consent that I may yield to the distinguished Senator from Colorado for 10 minutes without losing my rights to the floor.

Does the distinguished Senator from Florida wish to speak?

Mr. MACK. Yes, I would like to speak for 5 minutes.

Mr. BYRD. And I may yield to the distinguished Senator from Florida for 5 minutes and that I may retain my rights to the floor.

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

The Chair recognizes the Senator from Colorado for 10 minutes.

Mr. BROWN. Mr. President, I thank the distinguished Senator from West Virginia. There were simply several areas that I thought were important to review as we move forward with this amendment.

The Senator from Texas has outlined specific project areas that involve, to sum them up, pork barrel politics and pork barrel spending, that could be eliminated. He has been specific. He has itemized the types of projects, and he has taken out from the bill the spending that relates to those projects.

Senators will want to make up their minds as to whether that is sound policy or not. In this Member's view, increasing taxes on the American people so that you can increase spending for low-priority projects does not make any sense.

The money that Social Security recipients receive is earned money. They have worked hard for it. They have paid into the fund. At least from my view, to tax people in those brackets, whether it is the energy tax or the Social Security tax, to fund projects like this is a disgrace.

Mr. President, in the course of this discussion, a question has been raised as to whether or not this measure will actually result in spending on the projects the Senator from Texas has outlined. As a matter of fact, one Member of this Chamber has come onto the floor to say that the list of projects was simply imaginary, I believe was the word. Another distinguished Member of this body went on national television last night to say that the list of projects was imaginary.

Mr. President, I think we ought to look at the facts, and the facts are these. These are the books "Ready To Go." These are the books that the Secretary himself referred to as being a source of projects that the Department would fund. These books are not imaginary. They are real. They are here. They have been discussed. And they do, indeed, make up the list from which these projects will be selected.

Should there be any doubt, let me refer Members to the testimony of the Secretary, Secretary Cisneros, before the Department of Housing and Urban Development Subcommittee of the Appropriations Committee of the House of Representatives, testimony that occurred on Tuesday, February 23, 1993. It is not imaginary. It is real, and it is verbatim testimony.

Mr. President, the Secretary says, "I have in front of me a listing from the United States Conference of Mayors of projects ready to go under the Community Development Block Grant Program."

Mr. President, the list that we have here in my hand is "Ready To Go," from the U.S. Conference of Mayors. It is this report that the Secretary referred to in his own testimony. This is not the testimony of a Republican Cabinet member. It is the testimony of the President's Cabinet member and the one who is in charge of these programs. The list he referred to is not imaginary, as some Members on this floor have so referred. It is a real list.

So the very reason for opposing the Senator's amendment which has been enunciated by so many, that it eliminates programs that are not real, simply does not meet with the facts.

It is interesting to me that the concerns which have been expressed on this floor about the Senator's amendment and other similar amendments have not involved for the most part anyone coming down and saying: This project is so wonderful; this country urgently needs a new golf course; this country urgently needs a new bike path, and it is important enough to increase the taxes on Social Security recipients.

Mr. President, that is not an argument heard on this floor. If there are some who feel that way, I hope they will come forward. I think their constituents would be interested in knowing of that perspective, knowing the defense of the bill in its current form, or the opposition to the amendment of the Senator from Texas which has not taken the form of someone saying this is a great use of funds. Perhaps there are those who feel that way, but I have not heard them.

Mr. President, the Secretary in response to a question from the subcommittee of the Appropriations Committee of the House said this. I think it is instructive if the question arises as it has been raised. Mr. LEWIS asked about funding for the Redlands area. The Secretary said, "I don't know what the formula might say that Redlands would receive, but it would receive a sum of money. The sum would come to the city government of Redlands. They would send a list to the regional office of the total projects they want to do and, generally speaking, there is quick blessing." This is a quote from the Secretary.

This is not an application where you have to go in and review every project. It's a block grant program so that it moves fast compared to most Federal programs.

Mr. President, that is how we got a list of these silly projects. The Secretary himself assured the applicants that this would move fast, and it was not one where they reviewed every project. That is why the amendment of the Senator from Texas is needed. I do not think it is responsible to take the taxpayers' hard-earned money and hand it out without reviewing how it is going to be spent.

That is what this is all about. Because there are proposed abuses of the Federal taxpayers' money in wasteful projects, this amendment has to be offered. He has to prevent the waste, because the Secretary himself has said how they are going to handle the program. "This is not an application where you have to go in and review every project."

Some have questioned whether or not the list here is the one they referred to. Let me quote the Secretary again. "Los Angeles County, for example, is getting, I believe the figure is $36 million for Los Angeles County under the 1993 appropriation for CDBG, and they show in here"—"Ready To Go." Let me remind the body the name of the report is "Ready To Go"—"show in here projects ready to go immediately and would get an additional $23 million under the proposed supplemental."

Mr. President, the suggestion that this is an imaginary list is simply not accurate. It is real and it is acknowledged by the Secretary himself.

Mr. President, the suggestion that this amendment will not have real effect I do not believe is valid. It identifies real projects that will be funded, at least some of them, I believe, if this amendment is not passed, and it reduces the money that the taxpayers are going to have to put out to fund it. Both of those are real.

Lastly, Mr. President, let me simply raise one other concern that I think is extremely important. The language of the bill as it came over and the language in the amendment that stands before us, and by the amendment that stands before us, I mean the underlying amendment by Senator BYRD, specifically addresses the standards that are to be used in awarding these grants. As every Member of the body is aware, under the community development block grant system, there are a number of safeguards in the Federal statutes to safeguard the taxpayer from abuse and from fraud and from problems in expending this money.

This amendment, the underlying amendment, waives the statutory protections. It excepts a few. And I commend the distinguished Senator for excepting those out. I think those are valid provisions to have apply in this regard.

But, Mr. President, I am concerned about the standards that are waived, the ones that are not retained in this measure. To have money where the Secretary indicates they are simply not going to review the projects very thoroughly and then to waive the standard safeguards seems to me to be irresponsible. I believe, before we hand out the public money without reviewing the projects and before we hand out the public money by waiving the standards that are supposed to apply, a measure that comes before us which tries to provide some protection for the taxpayer is important, is valid, and is essential.

The bottom line question, Mr. President, is this: Do we want to reduce the deficit? If we do, we should vote for the Senator's amendment. Do we want to provide safeguards for the taxpayer in the way the money is spent? The bottom line is we should vote for the Senator's amendment. Do we believe a stronger, more viable, competitive America comes from having our funds go into real investments for the future

of our country? If you do, I think you want to vote for the Senator's amendment.

On the other hand, if you sincerely believe, and I know there are Members here who do, that a stronger, more effective, more competitive America comes from getting Federal money out into the community without a great deal of concern about where it goes or how it goes, that running up the Federal deficit is not as important as Federal spending, then I think you will want to oppose the Senator's amendment. It is an honest, sincere difference of opinion. Do you have a stronger economy by increasing the deficit with Federal spending, or do you have a stronger economy by promoting efficiency and reducing the deficit? That is the question that lies before the body.

I hope this Senate will act favorably on the amendment of the Senator from Texas. I think it can move this country forward.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. BYRD] is recognized.

Mr. BYRD. Mr. President, does the Senator from Florida need 5 minutes?

Mr. MACK. Yes.

Mr. BYRD. Mr. President, I have been asked by the Senator from North Dakota for 5 minutes. Mr. President, I am ready to move to table this amendment after I make a few remarks of my own, but I shall not do so until the distinguished Senator from North Dakota has had an opportunity to speak. I ask unanimous consent that he may speak for not beyond 5 minutes and that my rights to the floor may be protected.

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

Mr. KERREY. Will the distinguished Senator from West Virginia allow me to speak as well?

Mr. BYRD. How much time?

Mr. KERREY. I would like 10 minutes.

Mr. BYRD. Mr. President, I ask unanimous consent—this is the last request I hope I will have to make, because we want to get on to some other amendment. I ask unanimous consent that the distinguished Senator from Nebraska may speak for 10 minutes and that I may retain my rights to the floor at the expiration or the yielding back of that time.

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

The Senator from Florida is recognized for a period of 5 minutes.

Mr. MACK. Thank you, Mr. President. I thank the distinguished chairman for yielding me this 5 minutes.

Mr. President, I rise in support of the Gramm amendment and in opposition to the bill. I hear a lot of discussion on the floor of the Senate about this bill as to its effects on economic growth and the future of the Nation.

I have come over to spend just a few minutes to speak in opposition to the bill because I am really worried about the future of our Nation. I am convinced that you cannot keep adding layer after layer after layer of Federal spending on our economy, and continue to see the mom and pop operations around the country create jobs. The small businesses of America create jobs, and the large businesses of America create jobs. I am concerned about the future for my son and daughter and my two grandchildren. What is their future going to be like if we do not get control of the Federal spending?

We have been told that the President's economic package is a combination of tax increases and spending cuts that will add stimulus to the economy. We have heard that the economy is so weak, so fragile, that it is necessary to have this $16 billion spending stimulus.

I would like to make several points, the first of which is I think the days of stimulating and creating economic growth through Government spending increases is probably behind us.

The second point is that I am unclear how we are going to stimulate the economy by adding $16 billion in new spending. Let me put that in perspective; $16 billion in new spending in this economy would be like giving your son or daughter who has a $25 allowance an extra nickel. That is the significance of this $16 billion stimulus plan, a nickel on a $25 allowance.

It does not make a great deal of sense to me to say the economy is so fragile that we need to have a stimulus package, but then argue that it is important that we address the deficit question by raising over $300 billion worth of new taxes. Almost everyone agrees, and most of my colleagues agreed during the period of time where they felt that the country was in a recession, that raising taxes did not make sense, because that slowed the economy down. People react to tax increases. They find ways to invest their money so they do not have to pay higher taxes.

This proposal is inconsistent. On the one hand, it says it is important that we raise spending to stimulate the economy. But then on the other hand, it ignores economic reality that if you raise taxes on a weak economy, you are going to drive that economy even lower.

I said, a moment ago I was concerned about the future of my children and my grandchildren. I happened to speak with a couple from Florida on the way over here just a few minutes ago, a mom and dad with four children, four sons as I recall, one of them just graduating from college, with a degree in engineering. He sent letters out all over the country looking for a job. He has been getting one rejection letter after another. Talk about discouragement.

I make this point, because more Federal spending is not going to create jobs. More Federal taxes are not going to create jobs. In fact, I would make the counterargument. You want to get America moving again? We ought to follow the principles of less taxing and less spending, less Government and more freedom. We ought to free up the private sector.

We had a hearing just a few days ago in the Banking Committee where the implication was made that the reason that there have not been more jobs created in this economy is because there was something wrong with monetary policy. Well, the reason we have not created more jobs in this country is because we have increased the cost of employment in this country. We have layered on the backs of labor in this country more and more and more costs so that employers are saying, "I cannot take the risk. I cannot afford to hire another worker." A whole series of legislation passed by this Congress and prior Congresses has increased the cost of labor to where small business owners, who are trying to make a decision about the future of their business, decide they are not going to hire another employee because Government has raised the cost of employment too high.

So I ask my colleagues to support the Gramm amendment. I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota for 5 minutes.

Mr. DORGAN. Mr. President, I appreciate the distinguished chairman of the Appropriations Committee yielding me time.

President Clinton won the election last November. Americans voted for him because they wanted change. I believe they voted for him because they wanted this country to move in a new, different direction. I have watched for some years while Presidents down at the White House talked about less Federal spending. We have to cut spending, they said, but year after year these same conservative Presidents sent Congress budget proposals that included more and more Federal spending. In fact, what we do not hear much on this floor is that in the last 12 years Congress has spent less than conservative Republicans have requested in Federal spending.

I said the other day there is not a plug nickel's worth of difference between the appetite for spending between liberals, conservatives, Republicans or Democrats. One side wants to build more jet airplanes, and the next one wants to build tanks. There is an appetite for spending in this country and in this body.

But I would like to say this about the current debate. This amendment that is before us is about politics.

That is what it is about. A lot of people do not want the President's plan to

pass. I believe it should pass. Do I like every part of it? No, I do not. Do I think some of it could be improved? Yes, and I think it will be. But I think this President's plan represents necessary and fundamental economic policy change. The one area of agreement I have with the previous speakers is that we have to cut spending. But I have to disagree with them when they stand up and propose that we cut spending for items that are not in the legislation before us.

The proposal yesterday, which we debated for some length of time, had items that added up to $103 million. Actually, they were not even proposed in the bill, but some Senators were intent on cutting them anyway.

So I say to all my friends on the other side: You want to cut spending? I wish we had a procedural device so we could put on the floor, right now, three successive votes, and we could test your appetite for cutting spending. I would propose that we cut 700 times more in public spending than you are proposing—700 times—not double, triple, quadruple, but 700 times.

I would propose to cut the space station, a giant boondoggle and a waste of the taxpayers' money. I would propose to cut the super collider. Enormous cost overruns. The Government has no business continuing that project. It ought not to be built. And I would propose to cut star wars. Even though they are proposing to build star wars in my State, I know that it is a tragic waste of the taxpayers' money. It's a waste to spend money on something we no longer need.

If we cut in those three areas, then we are talking about cutting spending. Then we are talking something that is real—700 times the amount of spending cuts these folks are talking about today. If we voted to cut those three programs on this floor of the Senate today we would save $7 billion in the coming fiscal year. That is real savings. That is real money.

I wonder if these warriors who have been talking about cutting public spending would not be little more than wallflowers when it came time to vote on these three big spending cuts—getting rid of the space station, super collider, and star wars. My guess is you would not get more than a handful of votes on the other side of the aisle, because spending cuts for them is rhetoric and politics.

The issue this afternoon is this: This President has proposed a three-part package to cut spending, increase some taxes, and provide an economic stimulus package. The reason he provides the latter is that, unlike George Bush, President Clinton does not believe that we should let well enough alone and ignore what is happening. George said, "There is no recession. Recession, what are you talking about? America is doing fine. It does not need any interference from anybody."

But President Clinton knows that we have troubles here at home. The deficit is too large and we have an economy that is sick. So you have two things at once that seem almost contradictory. It is a delicate balancing act. President Clinton and everybody else admit that. The President is trying to do something very important for this country by proposing economic policy change that reduces the deficit so the country can grow in the long-term. He has proposed a stimulus package that tries to show American people that we understand there is an economic sickness in this country and that we are going to provide some economic stimulus to get the country moving again. That is what the President's package is all about.

I fully respect those on the other side of the aisle who do not like it. If they do not like it, they should and will vote against it. But they should not, in my judgment, attempt to delay the passage of this program. It is time to let the President put his program in place for the betterment of this country's future.

Mr. KERREY. Mr. President, I spoke earlier as to why I was going to oppose the stimulus package, because of my lack of confidence that it would stimulate the economy, and my concern for taking the edge off of my ability to be able to say no in other areas.

I must say I find this particular amendment to be a waste of time, if the truth be known. I heard the Senator from Texas, not long ago, talk about people coming up to him and looking him in the face and asking the question, "Are there cuts?" And he said, "No," he would have to say there are no cuts.

The fact of the matter is that I have been approached very often, since the President introduced his budget, by people who asked me to oppose cuts. They do not want further cuts in agriculture. They do not want cuts in the Rural Electrification Administration. They are opposed to cuts in special grants. They do not want cuts in impact aid.

Indeed, I thought I heard the distinguished Senator from Texas the other evening, when speaking to the American Medical Association, say that one of the problems we have is that we are underfunding providers. I assume in that comment the implication is that we should spend more on Medicaid and Medicare. The fact is there is real constraint in spending on Medicaid and Medicare in the President's budget. I am being approached by providers that are saying this is going to impact their capacity to deliver health care.

There are cuts in the President's proposal, and I hope we can get some additional ones. For the opposition to stand here and allege to the American people that there are no cuts in this proposal is simply not true. There are cuts; otherwise, I would not be approached by citizens asking me to resist them. They are asking me to oppose them.

Second, I must take strong issue when I hear the distinguished Senator from Texas repeatedly talking about raising taxes on people that have Social Security income.

Mr. President, we collect 6.2 percent taxes on employees and 6.2 percent taxes on employers. In 1993, that will generate $351.3 billion from working people. We are going to pay out $297 billion in that same year, in 1993, generating a $54 billion surplus. We are overtaxing people who get paid by the hour and asking them to shoulder an unfair burden of deficit reduction.

Mr. President, I think the President of the United States has a great deal of courage suggesting—and I think correctly—that we ought to ask people who have Social Security income, if they have a sufficient amount of means, to pay taxes on 85 percent on their income from Social Security benefits. It seems to me that it is not an unreasonable proposal, particularly since the President of the United States is also going to, in the not-too-distant future, be proposing health care reform that is likely to include long-term care.

I must take exception when the distinguished Senator from Texas stands up and says there are no cuts in the President's budget proposal. The President of the United States is asking the American people to sacrifice. He is asking the American people to pay a price to do something for deficit reduction. There are legitimate differences of opinion between the Republican Party and the Democratic Party. But where those differences do not exist, where the facts are clear, it seems to me that we ought not to stand down here on the floor and run our jaws to no avail.

Mr. President, let me talk about a legitimate difference of opinion. The distinguished Senator from Texas wants to exclude gymnasiums, parks, graffiti abatement, jogging, and hiking paths. Mr. President, I must say that of all of the things in this stimulus package, that may be the one the American people appreciate the most. Most Americans do not have the same kinds of access to recreational facilities that we do. They do not have a Senate gym or a House gym.

I ask those people who are going to vote for this amendment, are they going to come down to the floor of the Senate and make sure that the same kinds of exemptions are provided for all Government employees? Are they going to make sure that every single Government structure built for Federal employees, including Congress, strikes money, and provisions that provide hiking trails and gymnasiums and parks and things that people of average means, frankly, Mr. President, need very much?

I must say that I find this amendment to be a waste of time. I doubt that anybody who is going to vote for this amendment is going to vote for the stimulus package anyway. This is not an attempt to improve the stimulus package, Mr. President. This is an attempt to waste time. It is one of the reasons I suspect that consumers are beginning to lose confidence again. They are watching the same old thing—not just gridlock, not porklock, but jawlock, where people come to the floor and just want to run their mouths.

Mr. President, I think it is time not only to table this amendment; I think it is time to vote on this stimulus package and get on with the business at hand.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, will the distinguished Senator yield to me just a few seconds so I could respond to a comment made by our colleague about a speech he saw me give on television, if I could, just to clarify a point? It has nothing to do with this debate.

Mr. BYRD. How much time?

Mr. GRAMM. Two minutes.

Mr. BYRD. I yield to the distinguished Senator 2 minutes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas for 2 minutes.

Mr. GRAMM. Mr. President, I thank the distinguished Senator for yielding.

I am delighted that our dear colleague from Nebraska has nothing better to do than watch me give speeches on television.

The point I was making in the speech, and I do not want a misimpression to be made, is that we cannot solve the health care problem by simply cutting payments to the providers, that if in the name of this thing we call global budgeting we end up cutting reimbursements, for example, to hospitals, what it is going to do is put rural hospitals out of business in droves, and it is going to make the local hospital raise taxes.

The point I was trying to make is that we need to change the system, that we need to try to change behavior and not simply to try to engage in price controls or rationing. That basically was the point I was trying to make.

Mr. KERREY. Mr. President, I appreciate the response.

However, is the Senator from Texas raising an objection of constraint of expenditures by the Federal Government? He is saying he does not want to constrain expenditures because of the impact potentially on rural health care.

The fact of the matter is that the Senator's statement is we are underfunding Medicare, and the impression is left, I think legitimately, that the Senator says we ought to maybe be spending more in Medicare.

Mr. President, we have a $34 billion increase in health care expenses by the Federal Government this year over last year's spending. I think we can only control what we control, and I simply stand by my statement.

I have lots of better things to do than watch the distinguished Senator from Texas on television, but I do not have anything more important than trying to do something about health care.

The fact of the matter is I think the distinguished Senator from Texas is misleading this Congress.

Mr. GRAMM. Mr. President, will the Senator yield 1 minute?

Mr. BYRD. I yield an additional minute to the Senator from Texas with the understanding I not lose my right to the floor, and I ask the Chair to keep careful control of the time.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 additional minute.

Mr. GRAMM. Mr. President, I have voted on the floor of the Senate to cap the growth in Medicare and Medicaid. I do not know how our colleague from Nebraska voted on that vote, but I voted to cap Medicare and Medicaid.

My point is that we are not going to solve the exploding cost problems with price controls and rationing, that we are going to have to try to change behavior, and that we are going to have to change the system. I think that if anyone looks at any experience of any country in the world with health care that is the point.

I am not calling for more expenditures on Medicare and Medicaid. I want at least to slow down the growth in spending. I quite frankly do not believe that we will ever reduce either one of these programs, but in trying to control growth we have to change behavior and make the buyer of health care more cost conscious and make the seller of health care more cost conscious. Maybe others believe we can do it by rationing. I do not.

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

The Senator from West Virginia has the floor.

Mr. BYRD. Mr. President, the Senator needed an additional minute?

Mr. GRAMM. No.

Mr. BYRD. Mr. President, may I see a copy of that book to which the Senator referred?

Mr. GRAMM. Yes. They are volume 1 and volume 2.

Mr. BYRD. How many pages are in both volumes, may I ask the distinguished Senator?

Mr. GRAMM. They do not number them.

Mr. BYRD. They do not number them.

Mr. GRAMM. The pages are innumerable.

Mr. BYRD. In other words, my guess is about 1,500 or 1,700 pages.

Mr. President, the distinguished Senator from Texas [Mr. GRAMM,] has said, and I want to quote him accurately, "Rhetoric is so at variance with reality."

Mr. President, I think the distinguished Senator hit the nail right on the head. The rhetoric was at variance with reality that we have been hearing now for a good while which my friends on the other side I think used an hour, which was perfectly all right, but I want to be sure that I do not use more time than they used, including the time I have yielded on this side.

Mr. President, that is an excellent point. Rhetoric is indeed at variance with reality in the arguments that I have heard coming from my friends on the other side of the aisle pertaining to this amendment.

I believe it is important that the record be set straight on a number of misstatements that have been made on this floor in the last several days regarding the net effect with respect to overall domestic spending of the emergency supplemental appropriations bill now pending before the Senate and the budget resolution which the Senate passed last week.

It has been asserted by those opposed to this effort, displayed on the chart to my left, this effort to create jobs and help stimulate our economy, that the spending in this bill exceeds all of the net domestic spending cuts enacted in the budget resolution just passed by the Senate. That rhetoric is indeed at variance with reality.

I regret, then, that I must stand on the floor today and with all due respect tell my colleagues on the other side of the aisle that such an assertion is simply and plainly wrong.

Even accepting, for the sake of argument, all of the baseline assumptions and baseline changes that Senators on the other side of the aisle often make in their effort to attack and denigrate the Senate-passed budget resolution, it is incorrect to suggest that the spending contained in this supplemental appropriations bill is greater than the net domestic spending cuts contained in that budget resolution.

That simply will not wash. That is pure unadulterated hogwash.

Only by double counting the outlays in this appropriation bill and in the budget resolution can those who hope to defeat the President's economic program arrive at such a wrong conclusion. For the fact of the matter is that all of the spending in this bill for fiscal years 1994 through 1998 is offset—more than offset—by spending cuts contained in the budget resolution passed by the Senate last week.

Mr. President, I would ask my colleagues to listen closely, and I would like the viewers out there to listen closely, to what I have just said, for it runs contrary to the preeminently inaccurate assertions that have been made over and over and over again by those who oppose the bill before the

Senate. To repeat, all of the spending contained in this supplemental appropriation bill for fiscal years 1994 through 1998 is accounted for—is paid for—in the budget resolution adopted by the Senate only last week.

Critics of the President and of this bill claim that the net domestic spending cuts contained in the Senate-passed budget resolution totaled a mere $7 billion. I strongly dispute that assertion. To the contrary, I believe it is based on a number of baseline accounting assumptions that are designed to distort and understate the cuts in domestic spending made by the Senate in the budget resolution it adopted just last week. Yet, I do not stand here now for the purpose of debating or arguing over baseline assumptions.

Accepting for a moment, simply for the sake of argument, all of the assumptions necessary to arrive at that $7 billion figure, the fact is that that $7 billion net reduction in domestic spending already reflects the $12 billion in new spending that will be appropriated under this emergency supplemental bill for fiscal years 1994 through 1998.

Again, I repeat what I have just said, so that there will be no misunderstanding of what is fact or what is claimed to be fact and what is not fact. The $7 billion in net domestic spending cuts which critics on the other side of the aisle claim will be the full savings achieved under the Senate-passed budget resolution already reflects all of the new spending contained in this supplemental appropriation bill for fiscal years 1994 through 1998.

Therefore, to claim that the spending in this bill will offset the savings achieved under the budget resolution is flat wrong. If opponents wish to count all of the spending in this bill as new spending, then they must first take out the $12 billion in spending under this bill that was included in the Senate-passed budget resolution. Our colleagues on the other side of the aisle, as much as they might wish, cannot count the $12 billion in outlays that would be appropriated under this bill for fiscal years 1994 through 1998 as both new spending under the budget resolution and new spending under this bill.

They are trying to have it two ways here. It is misleading and it is incorrect to count the same spending twice.

Let me say that again. Our friends on the other side of the aisle, as much as they would like for the viewers and the listeners and the readers of the RECORD to believe, cannot count the $12 billion in outlays that would be appropriated under this bill for fiscal years 1994 through 1998 as both new spending under the budget resolution and new spending under this bill. It is misleading and incorrect to count the same spending twice.

And yet, that is precisely what is being done by those who falsely suggest that the net effect of this supplemental appropriations bill and the Senate-passed budget resolution will be an increase in domestic spending.

There is an old saying back in West Virginia that "Figures don't lie, but liars can sure figure."

Now I do not mean to say that anybody in this body is a liar. But somebody is misleading or attempting to mislead—I do not want to say they are attempting to mislead—but they certainly are misleading the viewers and the readers of the RECORD and the American people with such statements.

Regardless of how much those who oppose our new President may play around with baseline assumptions in an effort to minimize the magnitude of the substantial domestic spending reductions made in the Senate-passed budget resolution, there is no way they can accurately claim that the spending in this supplemental appropriation bill will wipe out all of the cuts made in the budget resolution that was passed by the Senate last week. Try as they might to confuse the American people with their sleight of hand and double counting, the fact remains that the Senate, even with passage of this bill, will be cutting, not increasing, domestic spending.

Inevitably, honest policy differences will arise in this body. Honest differences of opinion will exist as to what is best for our country. We understand that. I would hope, however, that as we debate those differences, we will be honest with one another and honest with the American people. Although we may sharply disagree with one another on how best to respond to the issues that come before this body, I trust that we can all agree that truthfulness is one standard we should never sacrifice.

Mr. President, now let us refocus the spotlight on exactly what is being done here.

Senators on the other side continue to talk about programs that are not even contained in this bill. They are talking today about the same programs, the same list, the same bogus list—it is a bogus list, as far as this bill is concerned—they are talking about the same programs that our Republican opponents have tried to attack for the third time.

The Senate defeated the Brown amendment providing $103 million in cuts from the CDBG programs. The Senate defeated the Nickles amendment which would have cut the entire CDBG appropriations of $2.5 billion. Now we have the amendment by Mr. GRAMM to cut $143,880,665 from CDBG Programs.

"The Phantom of the Opera" has been playing in New York for quite some time. It has also played in Washington. Now the phantom comes to the Senate. Let us refocus this argument.

There are some on this floor who insist on talking about things that are not in this bill—not in this bill—because they want to divert attention from the critical items that are in this bill.

In other words, take your eyes off the magician's hands and listen to what the magician is saying to you. Divert the focus away by talking about items that are not in this bill, never have been in this bill, and against which safeguards have been set up repeatedly, as I have described on the floor a number of times.

I hope that the American people are onto the game.

The effort is to divert the attention away from what is in this bill—$4 billion in unemployment benefits for the citizens of this Nation—$4 billion. That is what is in the bill.

Not a word is being said about what is in the bill. It is what is not in the bill and not contemplated to ever be projects that would be funded under this bill.

But those who continue to come in with this old canard continue to talk about a list of projects; a list of projects.

Where is that list? "Here it is," they say. And that is just half of it.

This is the last. And this is just half of the list. This is volume 1. This is the list that they say will be funded.

Mr. President, let the American people not be fooled.

I could just as well have brought in the old Sears, Roebuck catalog, and the Montgomery Ward catalog, and the Spiegel, May, Stern catalog, and any number of other catalogs and held them up and said, "Now let us have an amendment that will guarantee that we will not spend money for these projects. That is why I want to offer an amendment, Mr. President, to cut out $100 million, to cut out an entire category of programs here and the American people ought to be aware of what is about to be foisted off on them."

So they come in with their amendments to cut out lists, and cut out this and that and something else in lists in this book. We have seen it waved around a number of times. This book.

I do not have the old Spiegel, May, Stern, or Sears, Roebuck catalogs. I think I have the original Sears, Roebuck catalog over at my house. I should have brought it just to see if there was anything in this bill that is in that catalog.

Sometimes I think that we here inside the beltway develop a little bit of a thick skin. We listen to so many numbers and so many statistics that we have grown numb. But, when over 10 percent of the citizens of this country are on food stamps, that figure ought to jar us up just a little bit. It ought to get inside that thick skin.

The greatest Nation on Earth—the greatest Nation on Earth, the only Republic on Earth that has existed for over 200 years—has over 10 percent of

its population on food stamps. And that is a record number. And we have a record number of recipients of Medicaid, a record number of individuals on AFDC, Aid to Families With Dependent Children. Twenty-three months since the official ending of the recession, food stamp applications are increasing, Medicaid—the number of people on the rolls is increasing, the number of people on AFDC—the number is increasing. These are tragic facts. They represent human misery. They represent loss of dignity for many people—10 percent of the population, over 26 million people in this great country, the land of the free and the home of the brave, on food stamps.

Unemployment is now higher than when the recession officially ended. There are 1.1 million fewer jobs now than when the recession began. The unemployment and the food stamp numbers clearly show that obviously the so-called recovery has not yet reached large segments of the population.

It has not reached West Virginia yet, I can testify to that. The recovery has not crossed the boundaries of West Virginia. It has not come to Maryland yet. I heard the distinguished Senator from Maryland, Senator MIKULSKI, say recently that recovery has not come to Maryland yet.

Where is the recovery? Perhaps that is a phantom, too. I believe it is. It is a phantom as far as those of us are concerned who represent States in which the unemployment is above the national average and in which the food stamp rolls are growing.

How can we delay this package 1 day more? This package will answer critical human needs now, and it will create jobs that get people off the unemployment and off the food stamp rolls.

Let us think about the families watching this Senate right now. Some of them are wondering where they will get food for the table next week—why? Because the extended unemployment benefits will have expired, will expire next week. And those who are watching the debate on this floor must be wondering what will I do next week? The poke salad is not out on the hills yet, the dandelions are not out on the hills yet, we cannot go out there and cut the plants and so we cannot depend on going out in the hills and getting our food, cutting the wild plants.

I wonder what they are wondering. Those families may be wondering if there will be a check to buy shoes for a child for school next week, or a child who is not yet of school age. Where is the money coming from? Their unemployment benefits are going to be cut off—no more. And here we are arguing about lists of items that are not in this bill, trying to divert the attention away from the bill, away from the bill, and saying do not watch my hands, just listen to what I am saying. The attention is being diverted away to a phantom list that never existed, does not exist today, and will not occur under this bill.

So they are nervously watching to see how long this Senate will sit with its hands folded and refuse to release $4 billion in unemployment benefits so that those families who are about to fall into the abyss can be saved.

Mr. President, the American people elected a President who said he would invest in our own people and in their futures again. And there is not one thin dime in this bill for foreign aid—is that right? Not one thin dime in this bill for foreign aid. How many of those who are talking about phantom lists in an effort to divert the attention away from what is in the bill vote for foreign aid without asking a question? They do not even ask a question. But when it comes to aiding the American people, oh, there are lots of questions then. Let us divert the attention away from the real thing and make the American people believe that we are about to do something that is not in the bill. So the American people elected a President who said he would invest in his own people and in the futures of the American people. He said he would put the focus back on our people—my people, West Virginians—again.

The American people know where President Clinton stands. They know whom he is trying to help. But do they know where we stand? So there they sit. There they sit, watching the television screens, worrying about next week's meal, next week's loaf of bread, worrying about getting work, worrying about their kids, worrying about getting medicine—knowing that the President of the United States realizes their plight and feels their pain. But there they sit, while the Senate delays. No wonder people are sick to death with gridlock. No wonder they look at Washington and shake their heads.

Twenty-seven days ago—I believe it was 27 days ago; whether it was 28 or 29 does not make any difference—66 Members of this body voted to extend unemployment benefits. Now we have not been able to move the package which funds that extension. We had all these threats of filibuster and the paper bullets were going to stop flying and the real bullets were going to start crisscrossing this Chamber.

When we passed the measure authorizing the extension of these benefits, the press releases went out in droves. We all were eager to tell our people what good men and women we are, looking out for their economic survival; we are taking care of you people, we say. We will not let you crash. "Just today," the press releases said, the press releases stated, "Just today we voted to extend unemployment benefits."

How in the world do we explain what we are doing now? We are now sitting on the President's proposal to fund those benefits and to create jobs so that people can get off the unemployment lines and get off the food stamp row.

Now, try to explain our present action, trying to wave the magic wand, pull rabbits out of the hat, saying, "Don't watch my hands, watch what I'm saying," and divert attention from the real bill here. How do we explain this action? The average Americans, why, they will say the inmates have taken over the asylum. No wonder people do not trust politicians.

Those Americans watching today—they are watching—want this delay to stop. Why do we not just vote on this bill today? Senators are entitled to call up their amendments, but I have not been able to find many amendments on this side. I do not believe there are many on the other side. We ought to finish this bill today and let us quit diverting the attention away from the real bill and making statements that are misstatements and untrue statements, misleading the American people.

Those who want these benefits to be released by the U.S. Senate should call the Capitol switchboard here in Washington and demand that we pass the President's plan. The number, the same number that has been around here during my 40 years in the House and Senate, is area code 202; the number is 224-3121. Same old number. 3121. Area code 202-224-3121. That is the number that I used when I was in the House of Representatives when I first came there 40 years ago in the 83d Congress. They did not have the dialing system we have now, but the Capitol switchboard number here was 3121. Over there I suppose it is 225-3121. But over here it is 224-3121.

No wonder Americans see an incomprehensible maze when they witness the kinds of pretended lists that such amendments as this would guard against. No wonder people are sick and tired of gridlock.

Mr. President, I promised to move to table. My friends on the other side laid down the amendment at 10 minutes past 1 o'clock today and it is now 5 minutes past 2.

Before I do so, I ask unanimous consent that upon the disposition of this amendment, Mr. KOHL be recognized to call up his amendment, and his amendment is the amendment which is referred to as the offset amendment; that he be recognized to call up his amendment and that there be 45 minutes on each side for debate thereon. I had cleared this with Mr. HATFIELD earlier, and I believe it has been cleared with Mr. DOLE and others. I make that request.

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

Mr. BYRD. Mr. President, I move to table and I ask——

Mr. GRAMM. Mr. President, will the Senator withhold? I would like to ask

the Senator, since it is my amendment, and I do not intend to go back and plow a lot of old ground, I will be happy to have the Senator speak at the end, but I would like to have a couple minutes to go back and say what my amendment is about, if I might.

Mr. BYRD. Mr. President, I would be happy to withhold my tabling motion for 2 minutes.

Mr. GRAMM. May I have 4?

Mr. BYRD. Mr. President, the Bible tells me if someone asks for my coat to give him my coat and another one. I will not make the tabling motion until the distinguished Senator has spoken 4 minutes. I may want 4 on his amendment myself. I yield for that purpose, with the understanding that I not lose my rights to the floor.

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

Mr. GRAMM. Mr. President, it is reassuring to me to know our distinguished chairman would give me his coat if I needed it. I thank him.

I would like to go back to the relevant point in my amendment because we have discussed many issues here today, and though every point we make is important, I think we have drifted somewhat. I will say to our distinguished chairman that while we may disagree, we are talking about issues that are relevant to the future of America, and in that, I rejoice.

Let me read this element which is the heart of the amendment:

> None of the funds provided under this act for community development grants or the Highway Trust Fund may be used to assist activities related to gymnasiums, parks, graffiti abatement, bike paths, parking garages, parking lots, swimming pools, recreational centers, sports facilities, boat houses, soccer fields, ice skating, playgrounds, jogging paths, or hiking trails.

The amendment then drops $195 million worth of expenditures. Now, Mr. President, where did I get the idea that gymnasiums and parks might be funded by provisions of this bill giving money to the community development block grant or to transportation funding? I came up with that idea from two places.

First, the Secretary of HUD held up these books before the Committee on Appropriations of the House of Representatives and said:

> I have in front of me a list from the United States Conference of Mayors of projects ready to go under the Community Development Block Grant Program.

These are, in fact, the proposals that by and large will end up being grant proposals.

Second, our distinguished chairman, together with the ranking member, took this problem seriously enough to preclude golf courses, cemeteries, and other types of projects: white-water canoeing, fisheries atlases, and study of the sicklefin chub.

My amendment simply tries to guarantee to the American people that their money in this emergency bill will not be used for gyms or parks or graffiti abatement or bike paths or parking garages, and the list goes on.

I think it is a very clear list. If we do not pass this amendment, we have no guarantee that these types of projects will not be funded, and we have every reason to believe that they will be funded.

Finally, for those who are watching on TV asking where their salvation is going to come from, I do not believe it is going to come from funding projects like these. Given a deficit of $300 billion where every penny in this bill will be borrowed, why not guarantee the American people that none of their money will be spent for any of these purposes? What is wrong with saying that the $195 million that would be borrowed by the Government, that would be taken away from people who would build new homes, new farms, new factories, and create new jobs instead be left in the private sector? What we are debating here is where does the salvation for working Americans come from? Does it come from the Government or does it come from a strong, vibrant private sector of the economy? That is the fundamental issue. That is what we disagree on, and that is why we are debating this subject.

I yield back the remainder of my time.

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

The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, the amendment by Mr. KOHL will be laid down shortly. And there is a time limitation on it. I ask unanimous consent that no amendments in the second degree may be in order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I heard this term "graffiti abatement" used a number of times here, and it has finally gotten through this plumbiferous cranium of mine as to what they are talking about. Graffiti abatement. What is wrong with scrubbing the walls, some of this graffiti, foul language, lascivious, libidinous, just plain dirty, nasty language. I do not want my grandchildren to read that trashy, dirty language. What is wrong with wiping off some of that? What is wrong with brushing over that with some paint?

I would ask the rhetorical question. Would the Senator be in favor of leaving that kind of nasty language out there for people to read? The sooner we get rid of that, the better we will all be.

Now, Mr. President, the Senator's amendment would remove $50 million from the ISTEA fund. We have $2.5 billion in this bill—Federal aid to highways, $2.9 billion. He would remove $51 million from $2.9 billion.

The stimulus package contains $2.96 billion in additional highway construction. Under the legislation, these funds must be obligated within 90 days, that is, to ensure that they be put to immediate use and have the attraction of putting people immediately back to work and at the same time making investments that will serve us well into the future.

The funds that the States will be using are from the highway trust fund. These funds are not from the general funds of the Treasury. They are from the highway trust fund. They will come from the highway trust fund. The moneys in that fund are dedicated for the sole purpose of highways and highway-related purposes, authorized by law. They cannot be used for anything else. Again, I repeat, these are not moneys from the general fund, not from the general funds of the Treasury. These are funds from the highway trust fund. These are moneys that are paid in by the highway users of this country.

I hope that Senators, and especially the American people, will not be misled by the attempt to divert the attention away from the good purposes of this bill. There are no phantom lists, no phantom items in this bill.

Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 56, nays 44, as follows:

[Rollcall Vote No. 89 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	Danforth	Helms
Bond	Dole	Jeffords
Brown	Domenici	Kassebaum
Burns	Durenberger	Kempthorne
Chafee	Faircloth	Lott
Coats	Gorton	Lugar
Cochran	Gramm	Mack
Cohen	Grassley	McCain
Coverdell	Gregg	McConnell
Craig	Hatch	Murkowski
D'Amato	Hatfield	Nickles

Packwood	Simpson	Thurmond
Pressler	Smith	Wallop
Roth	Specter	Warner
Shelby	Stevens	

So the motion to table the amendment (No. 286) was agreed to.

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

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that no intervening amendments be in order.

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

Under the previous order, the Chair now recognizes the Senator from Wisconsin [Mr. KOHL].

AMENDMENT NO. 287

(Purpose: To remove the emergency spending designation from all funds in this bill that spend out in fiscal year 1994 or thereafter)

Mr. KOHL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL], for himself and Mr. SHELBY, proposes an amendment numbered 287.

Mr. KOHL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 28, strike lines 23 through 26 and insert the following:

SEC. 202. All funds provided for under this Act are hereby designated to be emergency requirements for the purposes of adjusting the spending limits for fiscal year 1993 under the Balanced Budget and Emergency Deficit Control Act of 1985. The adjustments required by the preceding sentence shall apply only to fiscal year 1993 and the spending limits for fiscal year 1994 or fiscal years thereafter shall not include such adjustments.

Mr. KOHL. Mr. President, I come to the floor to offer an amendment which I call the pay-as-you-go amendment. This is an amendment to the stimulus package, consisting of $16.3 billion to stimulate our economy, which we are considering now.

Mr. President, I do not, nor do I think many Americans would, disagree with the things we want to spend $16.3 billion on.

Who could disagree that we need to extend unemployment insurance compensation to those men and women who are presently out of work? And who could disagree that we need to do more on the vital and very successful Head Start Program, which has made such a great difference for so many young people in our society? Who could disagree that we need to do a better job of immunizing our young people in this country? Who could disagree that we need to spend more money on things like Pell grants and highway improvement programs? All of these things represent an investment in both the present and the future of our country and I, for one, endorse them.

What I am here to argue though is the way we fund those programs in this bill. The funding for this bill is over and above the budget in each of the years that it covers. It is deficit spending in the truest sense of the word. All of my colleagues, and all of those who are listening to this debate, need to understand clearly that what we are talking about here is spending money over and above our planned budget outlays for this year and in all the years that this program will continue.

I said in 1989, in my first speech on the floor, that the United States "is in the process of spending itself into oblivion," and that "continued deficit spending threatens our Nation's financial stability."

I said then that "no business, no government, and no society can sustain itself on debt. The gigantic debts that now threaten our economy and the unending deficits endanger our ability to give our children a better life and a brighter future." I said then that if we are going to deal with this problem, "all Americans and all Members of Congress must accept and adopt a simple principle: We can and we should debate the level of Government services we want, but what we can no longer debate is whether we will pay for those services."

Today, I am making the following proposal: That we endorse this stimulus program, that we pass this bill and write it into law, but that we pay for it. My amendment says that this year's expenditures, expected to total about $6.9 billion, be allowed to be off budget and deficit spending; but that all the expenditures in the 3 or 4 years to come, which will total about $9.4 billion, be considered on budget, be considered within the limits that we are allowed in the budget resolution we passed last week. That will require that these items be considered along with the other things in the budgets in the years ahead, and that we be required to make choices on spending; that we not be allowed to continue to just deficit spend, to spend beyond our budget limits.

Next year the combined authority for all discretionary spending is $540 billion. Can anybody doubt that, if we have the will, we can find within $540 billion the $5 or $6 billion that will be spent next year as a result of the stimulus package? That is what choices are all about. That is what the American people sent us here to do. That is clearly what they want us to do. So we must do what they want us to do, what we know we can do, and we must hold ourselves within spending limits, and we must make spending choices.

So that is what this amendment will require us to do. We vote for the stimulus package. We allow this year's spending to be off budget. But all the spending in the years to come will be within the budget without deficit spending.

My amendment has widespread support. It is endorsed by the National Taxpayers Union. It is endorsed by the Chamber of Commerce. It is endorsed by the National Association of Manufacturers, by the National Federation of Independent Businessmen, by the Business and Industrial Council. And just today we received an endorsement from the Concord Coalition, which, as you know, is a deficit-control coalition formed by two of our former colleagues, Warren Rudman and Paul Tsongas.

My amendment is, I think, an excellent way of satisfying the needs of both the Republicans and the Democrats as well as the administration. It is a compromise, but it is a compromise that clearly is making a statement to the American people; it says that we are not going to continue just spending outside the limits of our authority, that we are not going to continue adding to our deficits and making the lives of our children virtually impossible financially.

So I am bringing this amendment to the floor, and I hope very much that my colleagues will see it as a reasonable and acceptable compromise which the American people can and will endorse enthusiastically and which I believe is consistent with the President's program.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. I yield 5 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, I rise to commend the distinguished Senator from Wisconsin for offering this amendment. This amendment makes sense. It does not go as far as I would personally like to go; that is, I do not believe we need any of the stimulus package. We are basically going to borrow money to spend money. It is part of the old cycle that we have been in a long time up here in the Senate and across the Capitol here to the U.S. House.

The amendment of the distinguished Senator from Wisconsin makes a lot of sense. As I understand it—and I am going to try to restate it and paraphrase it and see if I am on the right track on this—of the $16 billion, you would spend $6 billion more or less this year off budget. That is from the programs that the Senator has outlined.

Mr. KOHL. Unemployment compensation.

Mr. SHELBY. And what else?

Mr. KOHL. Basically summer jobs and unemployment compensation.

Mr. SHELBY. Summer jobs and everything else. The other $10 billion would be delayed, would it not?

Mr. KOHL. The other $10 billion would be spent out as the President wants in succeeding years, but it would come under budget limits. We would have to make choices in order to spend this money on items the President wishes us to spend them on. We would have to decide what to cut in order to fund these programs and come within our budget authority.

Mr. SHELBY. Is this similar to the amendment that our colleagues in the House would not give a rule to let it be offered on the floor of the U.S. House of Representatives?

Mr. KOHL. Yes, it is very similar.

Mr. SHELBY. I support this amendment. Again, I commend the distinguished Senator from Wisconsin. It is a step in the right direction. As I said, it is not as far as I would like to go, but it is a step and it makes sense. It is something that we ought to adopt.

Mr. KOHL. I thank the Senator very much.

The PRESIDING OFFICER. Who yields time?

The Senator from Wisconsin [Mr. FEINGOLD].

Mr. FEINGOLD. Mr. President, I, too, rise to praise the senior Senator from Wisconsin for his amendment. I will support this amendment because I think it represents what my colleague has done to help the President, not to hurt the President of this country.

I think the senior Senator from Wisconsin has done three things here with this amendment that are very, very important. First, for both of us, it is clear to me that the Senator, as he has always done, has listened to the people in our home State. In Wisconsin, people are more concerned about reducing the Federal deficit than any other issue. I know that because I have spent the last 5 years in a campaign where I just asked people, "What is the No. 1 issue? What is the thing you are most concerned about?" And they often talked about health care, they did talk about jobs, they did talk about the environment, they did talk about crime. But more than anything else, they think we can pay the bills. They think there is a better way and that we can actually cut the Federal deficit and use some discipline in spending.

The second thing the senior Senator from Wisconsin is doing is helping the President bring together his entire package. When the President spoke in the State of the Union Message, both the senior and junior Senators from Wisconsin were in the Chamber and heard him talk about the need that this entire package be regarded as a package.

We want not just the spending but also the spending cuts to be enacted. The Senator here is helping ensure that that occurs and also is providing a real opportunity to find additional cuts, in effect, to try to force us to find some additional cuts so we can do even more in the direction of the deficit reduction. As I recall, the President invited us to do just that. This amendment helps force the Congress to do what I think the President has invited us to do.

Finally, I think the senior Senator from Wisconsin has struck a blow here for stopping politics as usual. I know I am new here. I know there is a way that things must be done here, I am told anyway that somehow it is necessary to do the spending first and the cuts later. But at least for both of us this just does not seem logical. It seems like there has to be a better way. There has to be a way where we can link the spending to the spending cuts so the net result is at least even and I hope even greater deficit reduction.

So I rise to support the amendment and to say that this has been a very constructive part of the debate on the economic stimulus package and to pledge to work with Senator KOHL and the other Members of this body to find additional spending cuts either in this legislation or future legislation this year so we can do even more to address what I consider to be the greatest economic problem of this country, the burgeoning Federal deficit.

Mr. KOHL. I thank my colleague from Wisconsin.

Of course, I was witness to his election last year. Senator FEINGOLD ran a magnificent campaign that was built around the need to reduce our Federal deficit. And the people of Wisconsin elected him, in large part, because of his commitment to deficit reduction and because they believed—and properly so—that Senator FEINGOLD would come to Washington and stand foursquare, even if it was difficult, for deficit reduction.

I think his willingness to be here today to support this amendment and to vote for it is clear indication to the people of Wisconsin that Senator FEINGOLD is not a person who just talks about the need to make hard choices; he is prepared to make and is, in fact, making those hard choices.

So I congratulate him, and I very much appreciate his support.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Mr. President, I have heard some criticism of this amendment based on the erroneous belief that it will hold up spending on the stimulus package. That is not true.

Under this amendment, all spending from the stimulus package that is scheduled in fiscal year 1993 will go ahead. It will be spent and it will not be counted against our spending ceilings.

But the spending under the stimulus package plan for fiscal years 1994 and beyond would have to come within our budget constraints.

So, under this amendment, we adopt the President's stimulus package, we accept the fact that this year's spending would be off budget, but we would require that the spending in years subsequent would have to be on budget and would have to be accounted for.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Is there objection? Hearing none, that will be the order.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

Mr. BYRD. Mr. President, how much time remains to the opponents of the amendment?

The PRESIDING OFFICER. The opponents have 44 minutes remaining.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, I yield myself such time as I may consume.

Mr. President, I want to say at the beginning that I am sorry to have to be put in a position to oppose my friend, Senator KOHL. He is a good Senator. He has always taken very seriously his duties.

He has recently been named to the Appropriations Committee at the beginning of this Congress. He is the chairman of the Senate District of Columbia Appropriations Subcommittee, which nobody wants. He did not want it. He did not ask for it.

But I said, "We have to have somebody who will chair that subcommittee." He said, "Well, if you have to have somebody, I consider it my duty to take it, when asked." And he took it. He took that chairmanship.

And so I hesitate to oppose his amendment, Mr. President, but I feel it my duty to do so.

This amendment would require that all outlays occurring in fiscal year 1994 and beyond, as a result of this $16.2 billion stimulus bill, be counted against the Appropriations Committee's outlays allocation in fiscal years 1994 through 1997.

The effect of the amendment is twofold. First, as the President pointed out in his letter to me, which I read into the RECORD last Thursday, this amendment would "cancel the intended benefits of the measure"—that is taken right out of the President's letter—and, second, it would "threaten the education infrastructure, health and other investment initiatives proposed in my five-year economic plan."

These are quotes that I have taken out of the President's letter, in which he clearly expresses not uncertain but certain opposition to this type of amendment. These are the two effects of this amendment.

Let me say it again. The President says he opposes this amendment that would "cancel the intended benefits of the measure" and would "threaten the education infrastructure, health and other investment initiatives proposed in my five-year economic plan."

So that is President Clinton's letter, addressed to me. That is that letter talking; this is the President talking.

These are the two effects of this amendment, according to the President.

Mr. President, the amendment would cancel the effects of the stimulus—the President says he does not want to do that—the amendment would cancel the effects of the stimulus because it would require that $12 billion of the stimulus package be offset by corresponding outlay cuts beginning October 1.

The distinguished Senator, in offering his amendment, has not specified—I do not believe he has specified—where these cuts would come from. Where would the distinguished Senator and those who support the amendment, where would they have us make these cuts? The distinguished author of the amendment and cosponsors of the amendment have not said.

Let me turn to this chart, which comes from the report of the Budget Committee that accompanied the budget resolution.

This chart to my left shows the components of the Senate-reported budget resolution's deficit reduction total of $502 billion. The chart shows pluses and minuses in outlays and in revenues over the next 5 years, 1994–1998, as proposed by the Senate Budget Committee, and as adopted by the Senate only last week.

If we come down to the middle of the chart, we see a category entitled "Stimulus and Investment." Under that heading we see two sub categories—stimulus outlays and investment outlays. Stimulus outlays, as shown on the chart, are the outlays that will be needed over the next 5 years to pay the bills that will be coming in from the $16.2 billion stimulus package now before the Senate. Therefore, in calculating its deficit reduction totals, the Budget Committee had to include these outlays—the bills will be coming in so they will have to be paid. But, because these outlays have been designated as emergency spending by both the President and by the House of Representatives in the bill before us, they will not be charged against the Appropriations Committee's outlay allocation. These outlays were, however, taken into account, as the viewers will see on the chart, by the budget resolution in reaching its $502 billion deficit reduction. By the way, that is $30 billion greater than the President requested. Let me repeat, the budget resolution counted the outlays from this economic stimulus bill in reaching its $502 billion in deficit reduction.

The second line under the heading "Stimulus and Investment" is entitled "Investment Outlays." This column shows the outlays, year-by-year, that the budget resolution allocated for the President's long-term investment program—a total of $112 billion. I point out that even though this sounds like a large increase in domestic spending, it is not so when we subtract the $81 billion in nondefense discretionary costs over the next 5 years that are displayed in the upper portion of the chart. So that we actually end up with a net of only $31 billion over the next 5 years for domestic discretionary spending—substantially less than the President requested.

Now, if we focus on fiscal year 1994 only, we see that there are two $6 billion accounts in the middle of the chart—one is for stimulus outlays—those outlays are to pay the bills that will come due from the pending measure in 1994—and the other $6 billion is to pay for the President's long-term investment package. The stimulus outlays would not be charged against the Appropriations Committee's allocation for fiscal year 1994. But, under the amendment by Mr. KOHL, that $6 billion for stimulus outlays would no longer be treated as emergency spending and would, instead, have to be paid for out of the Appropriations Committee's allocation. This would mean that the Appropriations Committee would have $6 billion less to spend on the President's budget request for long-term investments. In fact, as all Senators see, we would have no funds left, if the full amount were to be adopted, no funds left to pay for any of the President's fiscal year 1994 investment program.

That means no outlays for such things as: Full funding of the highway program; modernizing our air traffic control system; increases in rural water and waste water loans and grants; a crime initiative to support more police in our communities; conversion of our defense industries to domestic purposes; better and more comprehensive worker training; better VA medical care; and a host of other investments.

Let me repeat, under the pending amendment by Mr. KOHL and others, the Clinton investment package would be gutted—gutted. That is the real world effect of this amendment.

The President is unalterably opposed to this amendment. It guts his package.

Now, the President will be going to Vancouver this coming Sunday to meet with the Russian President, Mr. Yeltsin. Do we want to gut the President's economic package here today? He has to go sit down with the Russian President. Do we want to clip the President's wing before he goes? That is a very important meeting that is going to occur in Vancouver and there are those in this Chamber who would like nothing better than to administer a string of defeats for the programs of this new President. What is today, the 31st day of March; 31 plus 28, plus 11. What is that, 70 days; 70 days into the Presidency of William Clinton, 70 days into his Presidency. We are saying here is a way we can—the Senator from Wisconsin is not saying this. I know the Senator from Wisconsin honestly and sincerely believes that this will not harm the President's program. And I just as honestly and sincerely believe that the Senator from Wisconsin believes—I have no doubt in this world, not one—that the Senator from Wisconsin thinks this is the right thing to do and it will not harm the President's program. But the Senator from Wisconsin is wrong.

The President says it is wrong in his letter, which I put into the RECORD. And the President said it is wrong when I sat with him down in the Oval Office a few days ago. I am being invited to the Oval Office now—yes. That is a welcome change. The President said it was wrong. He did not want this amendment.

It is not just ROBERT BYRD saying this is wrong. William Jefferson Clinton is saying it is wrong. He said to me: "I don't want this amendment." I said: "Draw your line in the sand." "I don't want this amendment," he said. He said some things about other amendments, but that is all in the past now.

But this amendment would gut President William Jefferson Clinton's program. Do we want to do that? What I am saying is that if we offset the investments that are being made, the stimulus outlays that are being made in this bill before the Senate, in effect we are robbing Peter's pocket—there it is—robbing Peter's pocket to pay Paul, and when we offset, we do not have any stimulus. We take $6 billion out here and put it over here. The effect is zero. It is a wash. There is no stimulus.

That is the purpose of this package, is to provide the stimulus that we might strengthen our economy, put people to work, and do a number of other things. But if we do this, we are offsetting the stimulus. It is no longer a stimulus program. It is not a good amendment. The author of the amendment is a good Senator, but it is not a good amendment. Let us not gut the President's program. That would be the effect of this amendment.

At the proper time, I will move to table the amendment. I hope that the amendment will be defeated.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from West Virginia yield the floor?

Mr. BYRD. I yield the floor. I only want to retain 5 minutes under the

control of myself. It is my understanding that this amendment would be the subject of a 60-vote point of order. So I will not move to table it. But the point of order will be made.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KOHL. Mr. President, like 99 other Senators, I yield to no one in my admiration and respect for the distinguished Senator from West Virginia. He has a long and clear record of outstanding service in the Senate and to our country. I appreciate the fact that he recognizes that my amendment is well intended and is not intended at all to gut the President's program. While he and I disagree, he recognizes that I am a strong supporter of the President and want just as much as he does to see this President succeed.

He said that my amendment would "rob Peter to pay Paul." But, in my opinion, if we do not adopt this amendment, then we will rob the children of both Peter and Paul by increasing the debt they must carry and pay. Since 1980, we have adopted, in fact, a policy in Government of enormous and drastic deficit spending. Every year there is a reason. This is the reason this year: If we do not find a way to incorporate the roughly $10 billion of additional spending in the President's stimulus package, do not find a way to exempt it from the budgets, then we will kill the whole stimulus package. And that is the rationale for this particular deficit. And, in fact, there has been a rationale for every deficit that we have run since 1980.

When President Carter was in office, a deficit of $60 billion was regarded by him and by everyone else in this country as a disaster. Since he has left office, over the past 12 years, the administrations and the Congresses have found a way to rationalize deficits which have now totaled up to over $4 trillion, and we are here today to rationalize yet another $16 billion addition to the national debt.

The American people said to us in this past election that they are sick of it; that they do not want it anymore; that they want us to make spending choices; that they want us to cut spending. They do not want us to find a rationale for continuing deficits. If there was one message that stood out in the election last year, it was that.

And now we are told by those who oppose the amendment that we cannot find a way. We are told that we cannot find a way, without gutting the President's program, to fit $10 billion over the next 4 years in a budget which over the next 4 years will total over $2 trillion. The budget authority for this category next year is $540 billion. If you just take that and multiply by four, you have over $2 trillion in outlays over the next 4 years. We are told that we cannot find a way to fit in $10 billion without gutting the President's program.

The distinguished Senator from West Virginia and I do have an honest difference of opinion. And I believe that if the American people were asked to decide whether or not we can or cannot fit this roughly $10 billion into a budget which is over $2 trillion in the next 4 years, virtually every American would say that not only can we, but they would insist that we find a way to fit it in without gutting the President's program.

The distinguished Senator from West Virginia said to me, "Well, where are your cuts?" Of course, every Senator has a different set of cuts. But I do not want to beg off. I will just mention a few of my cuts.

In this year's budget, we have $1.5 million for a pig research facility in Iowa; $58 million to bail out George Steinbrenner's American shipbuilding company; $8 million for the World University Games in New York; $19.7 million for the International Fund for Ireland; $13 million for Steamtown National Historic site; $15 million for preservation and restoration of Egypt's antiquities; $2 million for "Walk on the Mountain," a covered skywalk in Tacoma; and $800,000 for bike paths in Miami Beach.

I also have several cuts for fiscal year 1994, cuts I have supported and will continue to support. Not everybody agrees, but the Senator from West Virginia asked "where are your cuts?" So I will list a few.

I would stop production of the Trident missile which would save $3 billion over 5 years. I would cancel the space station, which would save over $10 billion in 5 years. I would cancel the superconducting super collider which would save over $2 billion in 5 years. I would cancel the Advanced Solid Rocket Motor Program which would save $1.7 billion in 5 years. And I would crack down on vacation leave policies for senior executives in the Federal Government, which would save another $500 million over 5 years. So that is $17 billion over 5 years which I would offset.

The distinguished Senator from West Virginia, I am sure, would not agree with all of these cuts. Maybe he would not agree with any of them, and I would respect him. But he asked me where I would cut. The point is, if we as a group are called upon together to compromise and to find a way in which to cut $10 billion over 4 years in a budget of over $2 trillion, while we would not all agree and we would not all have the same spending cuts, we would find a way to do it if it was important enough.

To reject this amendment in my view, would be to make a statement to the American people that $10 billion in spending cuts are not all that important—not that we could not find them within the budget, but that it is just not all that important.

So we will continue to deficit spend. And next year there will be another reason to deficit spend, and the following year we will have another reason to deficit spend, just as we have every year since 1980.

This is the road to oblivion. We all agree in theory this is the road to oblivion. Here we have a real life opportunity to save the American taxpayers $10 billion in taxes because that is what deficits are. Deficits are taxes deferred with interest. That is the definition of a deficit.

It is a tax on the American people. It is deferred. And until we pay it, it collects interest. I want to see us save this $10 billion. I am willing to take the time and to make the effort and to suffer the pain of deciding how we are going to cut to save $10 billion for the American taxpayer.

That is what this amendment is all about. Symbolically, and in fact, it is making a statement to the American people. It is saying that we care about the future, that we care enough to do what we need to do to make it better. I would like to make that statement. I think we as Senators should make that statement. I believe the administration should also be willing to make the extra effort to find this $10 billion.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, has the distinguished Senator from Wisconsin yielded the floor at the moment?

Mr. KOHL. Yes.

Mr. BYRD. Mr. President, already in this overall package, may I say to my friend from Wisconsin, this chart to my left shows that for spending reductions $6 billion have been cut from defense for fiscal year 1994, $5 billion in nondefense discretionary cuts have been made, and the budget resolution has said OK, we will give you $6 billion for investment outlays, long-term investment outlays, and this bill would provide $6 billion for short-term investment outlays.

What the distinguished Senator from Wisconsin is saying is we are going to wipe out—adopt this amendment, offset this $6 billion that is in this package and then we will wipe out, that in itself by offsetting it will automatically wipe out the $6 billion in investment outlays for 1994. And so what we are left with is no investment but cut, cut, cut—$6 billion, as I pointed out, in defense cuts this year, $5 billion in nondefense cuts, and over the 5-year period a $105 billion cut in defense, an $81 billion cut in nondefense discretionary, making a total of $186 billion in cuts.

So the amendment, although the Senator is well-intentioned—I do not have the slightest doubt of that. He is just as pure in his intentions as I am. But he is mistaken. He is wiping out

the second $6 billion on this chart, and the President says he does not want this done. This cuts his program.

Mr. President, I see the distinguished Senator from Iowa [Mr. HARKIN] on the floor. Does he wish some time?

Mr. HARKIN. Yes, I would like some time.

Mr. BYRD. How much time would the Senator like?

Mr. HARKIN. Maybe 7 minutes, something like that.

Mr. BYRD. Mr. President, how much time remains to this Senator?

The PRESIDING OFFICER. The Senator has 23 minutes and 45 seconds.

Mr. BYRD. Mr. President, I yield 7 minutes to the Senator from Iowa.

Mr. HARKIN. Mr. President, I thank my distinguished chairman for yielding me this time.

I wanted to be here to respond to the amendment offered by my friend, the distinguished Senator from Wisconsin. I wanted to make it clear what I believe the impact of this amendment would be on the programs funded under the subcommittee which I chair, the Subcommittee on Labor, Health and Human Services, and Education. Mr. President, I believe that this amendment would have a drastic effect on those programs that go to meet the needs of perhaps the weakest, the poorest, those most at need in our society who come under the jurisdiction of our subcommittee.

As I understand the amendment offered by the distinguished Senator from Wisconsin, it would require that stimulus program outlays in 1994 and 1995 would be offset with cuts in those years. The President's package provides that the stimulus programs are declared an emergency and thus under the Budget Act do not require offsets.

Let me begin by laying out some facts. Some $8.8 billion of the $16.2 billion in stimulus requested by the President is appropriated by our subcommittee, a little over half. And $1.277 billion of that part of the package in our subcommittee, outlays, or spends out in fiscal year 1994; that is the budget our subcommittee will be working on over the next half year.

It is highly unlikely that we are going to find any offsetting cuts in discretionary programs that Senator KOHL has proposed that we do in defense.

Again, we have voted together on these issues many times in the past, trying to shift from defense and transfer funds to meet the human needs of our people like Head Start, Ryan White medical research. In the past 2 years in fact, I have offered amendments to do that.

I am an optimist. I will continue to try to do this, but I am a realist, too. I know what the votes have been. I know the votes are not here to do that transfer of these funds. Just last week the Senate by passing the Nunn amendment, in effect, created another budget firewall by requiring that any saving from additional cuts in defense be devoted to deficit reduction, not to investments in health, education, and other people programs. The Senate spoke on it. I do not know what the eventual outcome will be in conference.

Third, I, too, would like to cut some spending perhaps from the super collider, and the space station. But the votes are not there to make these cuts. So far, the Senate has only been able to muster 34 votes against either the SSC or the space station.

So taking that into account and looking at this situation realistically, I believe we must examine the consequences of finding those offsets from our bill. We have a limited number of options if we are to find that $1.277 billion in outlays and I will outline some of those.

First of all, we can find the offsets in the President's investment package. To find the $1.277 billion that the Senator needs, we would have to eliminate the following programs from the investments proposed by the President for fiscal 1994: AIDS, $60 million; child care block grants, $30 million; the education reform package, $206 million; all of the worker training initiatives: Dislocated workers assistance, $60 million; Job Corps, $8 million; JTPA summer review, $2.47 million; older Americans, giving some new employment to older Americans, $4 million; Youth Apprenticeship Program, $32 million.

Well, you add all of those up and then you cut Head Start by $172 million and you get the $1.277 billion. Again, these are figures based on outlays, not authorizations.

So let us say we do not take the money from the President's investment package. Let us say we take it out of education. Well, education is a slow spending account. It outlays at 12 percent. So to get $1.277 billion in outlays from education, you would have to cut $10.64 billion out of education next year just to get those outlays.

Let us go over some facts. The total authorization level for discretionary spending for education is $22.3 billion. The proposed $10.64 billion in cuts equals 46 percent of the education budget—46 percent of that—just to meet the $1.277 billion in outlays.

So what programs would the Senator want to cut? Pell grants, we could eliminate all of it. That is $6 billion. Take 4 million students off the rolls. We could then get the remaining $4.3 billion by cutting Chapter 1. That is the kind of drastic cuts we would be looking at.

Again, I am assuming that, No. 1, we cannot cut defense, and we do not have the votes for cutting the super collider and the space station. I think that is realistic. Unfortunately, when it comes down to it, it is always these domestic programs that get cut, not the super colliders and space stations and defense spending.

Well, then there is another option. We could get the savings by an across-the-board cut. Again, the Senator talked about an across-the-board cut of 1 percent. But to get the savings out of the programs of our subcommittee would require a 4.1-percent across-the-board cut, and that would be another drastic option.

That would cut out the Department of Labor funding for the Job Corps by $38 million, at a loss of 4,000 participants. Head Start would be cut by $110 million, and that would cut 32,000 kids out of Head Start.

NIH would be cut by $314 million, an across-the-board cut; low-income home energy assistance, $57.5 million, affecting 220,000 households; Administration on Aging, cut elderly programs by $33.5 million. That would be 43.5 million fewer meals and 338,000 fewer seniors would be served. I could go through the whole thing about what a 4.1-percent cut would be. I can tell you, it may not sound like much, but when you look at the programs we fund, it would be devastating.

Mr. KOHL. Mr. President, I would like to respond to my colleague. I think that is again, in a sense, what the election is all about; and, in a sense, that is what I believe is the cause of the frustration we see all across America.

Let us assume for a moment that we can take a look at the entire $540 billion spending for domestic, defense, and international. Let us just make that assumption, because that is what is intended. It is intended that the pool of funds available in this category next year be $540 billion. We are talking about cutting $6 billion out of that—a little more than 1 percent.

If you tell the American people, who sent us here to do a job and spend their money wisely, that we cannot find 1 percent in that pool of funds—$540 billion—that we cannot find 1 percent to cut without gutting vital programs, I believe that they would unanimously say to us that they disagree. They would instruct us to go back and sit down and make these cuts constructively, and not come to them and threaten them—which I know the Senator is not—with, "Well, if you want us to cut $6 billion, we are not going to be able to have all the vital programs" that Senator HARKIN has mentioned, programs that are very dear to me, as they are to the Senator, and as they are to the American people.

The argument is that it is the good programs that will get cut; the bad programs will not get cut. When the Senator puts it that way, I am scared, everybody is scared. But that is the kind of thing, in my opinion—and I say this respectfully—that has gotten us into this trouble with the deficit.

There is always an excuse to deficit spend; there is always something threatened if we stay within our budgets. We have to change that kind of thinking if we are going to reduce the deficit and live within our budget. That is where I am coming from.

Mr. HARKIN. If the Senator will yield——

Mr. KOHL. I yield my time.

Mr. HARKIN. I hear the Senator say that is the kind of mindset that got us into the deficit. I do not think so. The mindset that got us into this problem was not being honest with the American people. "We are going to have these programs; now we will have to raise the revenues to pay for it." That is what got us in trouble. Not that we supported the programs to meet human needs, but that we did not have the honesty and forthrightness to go to the American people and say, "Here it is; we will get the revenues to pay for it because it will make our future a better America."

Instead, we kept borrowing more money. That is the mindset that got us into today's situation.

I again think the Senator and I agree on a lot of things; on the firewalls, for example. Last week, the Senate voted 56 to 43 essentially to reimpose those firewalls. I did not vote for that amendment. The Senator from Wisconsin did not. But that is the reality we have to deal with here.

Second, we talk about a 1-percent cut. I tried in the last 2 years; I stood down at that desk and I offered a transfer amendment to cut 1.5 percent out of the defense budget. I got 28 votes in 1991 and 36 votes the next year.

I will try it again. But we must deal with and accept today's reality.

What concerns me so much about the amendment by the Senator from Wisconsin is that it has a surface appeal. Can we cut 1 percent? There is nothing we cannot cut by 1 percent, obviously.

But when you look at what would be cut, and recognize that we will not get it from defense, the space agency, or the super collider. Mr. President, I have faced this difficult reality here now for 8 years in the Senate, and 4 years as the chairman of this Subcommittee on Appropriations. It is going to come right back to me. I know that if this amendment passes, the cuts will fall on the programs in the Labor-HHS-Education Subcommittee. And in that case, we will face a 4-percent cut.

That is what concerns me. At a time we are trying to perhaps put a little more into Head Start, Centers for Disease Control, biomedical research, this is where the cuts will come. That is why I am so concerned.

Mr. KOHL. As the Senator knows, I sit on the same committee. He is my chairman. I would find those cuts as painful as he would.

But the Senator made a point that I want to come back to because I think it is an overarching point. The reason we are in trouble is not because we funded these programs too generously, but because we did not raise the taxes to pay for them.

What we are doing this year is raising taxes. But we still do not have enough money for the stimulus program. We are raising taxes. Some people say it is the biggest tax increase that we have had in many, many decades; some people say it is the biggest we have ever had in this country. And we are still coming back and saying that is not enough to fund the $6 billion that is contained in the President's stimulus program for next year.

It is sort of frustrating. I am sure it is to the Senator from Iowa, too. It frustrates the American people to think they can sustain the kind of a tax increase that we are imposing on them this year, and at the same time be told that we do not have enough money to fund the stimulus program next year.

Mr. HARKIN. I will respond by saying I understand that. For the last 10 years, we had a stimulus package—for the rich, for the S&L dealers, for the junk bond dealers. They had a nice dividends package.

What we are saying right now is we have three legs of this stool that President Clinton has given us. One, cuts in the deficit. And the deficit reduction we voted on in the budget is real, $502 billion—the biggest deficit reduction we have ever voted on here in the Congress. And they are not phony numbers, they are real numbers, and not like the smoke and mirrors given us by previous administrations over the last 12 years.

The second part of that is an investment package for future growth, to catch up a little bit with what we missed over the last 12 years, when we did not put enough into our human resources in this country. And we have paid for the consequences of not spending smarter. For example, the Bush administration would not request enough money for immunizations. They said, "No, we will save that money." Then we had an outbreak of measles which cost us 10 times as much money to take care of and which resulted in many kids losing their lives. Again, very shortsighted.

So what we are trying to do here is debt reduction, investments, and stimulus with the end product real and sustained economic growth. You yank one leg out, and the stool falls. That is why this investments package is so necessary.

The Senator is absolutely right. We are trying to get sort of boost up for some of these people that were left out over the last 12 years. I make no apologies for that. It is almost like the people that had the big joyride in the 1980's, trying to tell the people that we serve on this subcommittee—the Head Start kids, the senior citizens, and the Chapter 1 Program—"OK, you can sit in the debtors' position for awhile. While we work out all of our problems, you sit in the debtors' position." I, for one, do not, and I do not think the Senator wants to see that happen, either.

This spending is accounted for in the budget, with its $502 billion in deficit reductions.

I also am saying we must invest in the American people—particularly those who were not invited to the party put on by 12 years of Republican administrations and subsidized with the debt of our children and grandchildren.

Mr. KOHL. I agree with the Senator, Mr. President. That is the last thing we want to do is leave behind those people who have suffered the most in the 1980's.

If I could, I would like to yield to our colleague from Nebraska, Senator EXON, for up to 8 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 8 minutes.

Mr. EXON. I thank the Chair.

I thank my friend and colleague from Wisconsin.

Mr. President, I rise in support of the amendment offered by the Senator from Wisconsin. I have been listening to the debate that has been going on here. I would like to say that I agree that everyone involved in this debate is very sincere in their position. But we do not agree, obviously, on where we are going and how we should get to point B from point A with regard to deficit reduction.

First, I would like to say that we do not have, I do not think, available yet the exact figures that came out of the conference that was finished late last night, I understand, between the House and Senate conferees on the budget package. But I have heard a great deal today about the $502 or $503 billion in total deficit reduction that we in the Senate passed in our budget resolution.

Well, that is yesterday's news. It seems to me from the information that I have now that we have lost somewhere around $20 billion in deficit reduction, rather than the $502 or $503 billion that has been referenced numerous times in debate on the amendment being offered by the Senator from Wisconsin.

That has been shrunk, I believe, to somewhere in the area of $480 to $483 billion as a result of the agreement between the conferees of the House and Senate on the budget bill. So already we have lost some of the incentive that we tried to get accomplished here in the U.S. Senate.

I also want to point out—and let us talk about real things instead of things that might happen. I have heard debate from those on the other side of the aisle for the last 2 or 3 days about the President's stimulus package is going to paint water towers and build tennis

courts and a lot of those other good things that the people of the United States do not feel, I suspect, are worthy of that kind of an investment. But that was not the truth, the whole truth, and nothing but the truth.

The truth of the matter is that the programs outlined by some on that side of the aisle were not in the stimulus package at all, as was very vividly and very correctly pointed out by my great friend and colleague from West Virginia. They were picking out goodies that would catch maybe 10 or 15 seconds of prime time on some national television program, but they were not true.

The first thing I think we should do here is recognize and realize that we are all going to have different positions. There are 100 of us here. I do not know of any of the 100 of us that have ever been accused of being people who are afraid to take a stand, or people who are hesitant or fearful of taking a stand or making a speech. But I think that we can, hopefully, learn to talk honestly and realistically without window dressing.

So I compliment my friend from West Virginia, the distinguished chairman of the Appropriations Committee, for pointing out what I think was improper embellishment, if you will, by those on the other side of the aisle.

I have just listened to my very close friend and neighbor from the State of Iowa. I think that the Senator from Iowa knows better than to believe that the Senator from Wisconsin and certainly the Senator from Nebraska, who is supporting this amendment, intend to cut children's programs and education to get the job done. I do not agree that the amendment offered by the Senator from Wisconsin, if passed, would be a killer amendment or put the President of the United States in any jeopardy in his upcoming meeting with the President of Russia. I cannot see that. I can see that if the amendment that is being offered by the Senator from Wisconsin and others is adopted, we would be realistic in trying to get from point A to point B with regard to getting a control on spending, to getting a control, if we can, on further borrowings on the national debt, and to face reality.

The facts of the matter are, Mr. President, that the Senator from Wisconsin does not take one penny out of the money that the President of the United States wants to spend forthwith on his stimulus package. We can argue all day as to whether or not that stimulus package was totally necessary—and I am not convinced that it totally is—but the Senator from Wisconsin is not making that point. If you wanted to criticize the amendment offered by the Senator from Wisconsin, you are saying that you are endorsing the President's proposal, you are letting him go ahead and spend all the billions of dollars he wants to, at least in the first part of the stimulus package.

What the Senator is really doing is giving the President a half a loaf. I think, Mr. President, it is a pretty good half a loaf. What he is simply saying is he is authorizing under his amendment the expenditure of all of the money that the President has said he intends to spend up front. What the Senator from Wisconsin is saying in his amendment is simply that the other $8 or $9 billion that would be spent in the outyears, or the year after next, would have to come under the budget scrutiny and we would have to pay for that with other cuts in the budget rather than just borrowing the money.

It seems to me that what the Senator from Wisconsin is trying to do is bring more discipline than we have right now in the program. I do not think it hurts the President's program that much. I certainly do not think it kills the President's program because, as near as I understand it, the Senator from Wisconsin has not taken one penny out of the total request that has been requested by the President of the United States.

So, clearly, he is not trying to hit the President of the United States in the nose. He is simply saying: Go ahead and spend the money up front now that the President of the United States says is needed to stimulate the economy. We are going along with that. But, next year, when the other $8 billion of the stimulus program comes up, it is going to have to be reviewed in the budget process. The Senator from Wisconsin has said on the floor there are several things that he would cut that would more than make up for that shortfall. I agree with him on most. I suspect that none of the money would come out of children's programs, out of education, or against the disadvantaged.

It seems to me that what we are doing with the amendment offered by the Senator from Wisconsin is to simply get real. It is not unlike the statement of the little 5-year-old girl on the kindergarten lot. It seems that the 6-year-old boy was watching the soap operas, and he learned something from them. He went to the kindergarten play lot and he saw his 5-year-old girlfriend, and he grabbed her, threw her down in his arms, and he looked at her and he said: "I want what I want when I want it." Well, being an all-American little 5-year-old kindergartner, she straightened up, wrestled loose and, wham, slapped him right on the side of his face, and she says: "You will get what I got when I get it."

What I am saying is that the Senator is saying we will fund the President's program when we get to the point to see what we have to give him without further borrowing money.

It is a good amendment, and I hope the Senate will support it. I reserve the remainder of my time and yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia controls the time.

Mr. BYRD. Who wishes time to be yielded?

Mr. RIEGLE. We both do, but the Senator from Connecticut was here before me.

Mr. BYRD. Is the Senator opposed to the amendment?

Mr. DODD. Yes, I am. How much time does my leader have?

The PRESIDING OFFICER. The Senator from West Virginia has 16 minutes, 40 seconds remaining.

Mr. DODD. If I can have 6 minutes.

Mr. RIEGLE. Mr. President, I would like the same amount of time.

Mr. BYRD. I yield 6 minutes to the Senator from Connecticut.

Mr. DODD. Mr. President, if I may, let me at the outset, first of all, commend the distinguished senior Senator from West Virginia. He has been involved in a noble effort, a solitary or almost solitary effort, over these last number of days on behalf of this legislation. Some of us have come over periodically to join in this debate, but not often enough I might say.

I have nothing but the highest admiration for my colleague from Wisconsin. He is a good friend of mine and I respect him immensely for his talents and for what he has brought to this body since his arrival here as a Member of the Senate from Wisconsin.

But I think what we are engaged in here, Mr. President, with all due respect to the author of the amendment, is a debate over the question of whether or not the stimulus package is necessary to help us achieve economic growth and recovery.

If you do not think it is important for us to try and put as many people back to work as soon as possible, then I would strongly urge you to support the amendment of the Senator from Wisconsin.

But, if you believe as the Senator from West Virginia does that the single most important issue facing us is how to generate as much employment as possible as quickly as possible, then you must reject this amendment.

We could debate here for hours about the merits or demerits of various aspects of this amendment. But the fundamental question is whether or not a stimulus package is necessary at all. I subscribe to the view that it is. I come from a State that has lost some 205,000 jobs over the past 4 years. We are on our knees. We are harder hit than any other State in the country.

But Connecticut is not unique, nor is California unique. The current economic recovery is different from all other recoveries since the post-World War II period for one salient reason: We have seen very anemic job creation—

something like one-half of 1 percent or thereabouts. It is extremely low by comparison to other recoveries.

This stimulus package provides opportunities to put people to work, to generate economic activity, so that this recovery, fragile as it is in some parts of the country, can take root and hold. And that is what this is really all about.

In my State of Connecticut, Mr. President, I would say that this bill is going to mean some $154 million. There is $70 million in transportation alone, including $62 million in highway money. There is also over $10 million in summer jobs.

We are just weeks away from summer vacations; we are going to want to put young people from our inner cities, from our suburban communities, and from our rural communities to work to give them some hope. This stimulus package does that. There is also money for community development block grants and wastewater treatment—both of which are critically important programs not just in terms of the jobs they produce, but in terms of long-term economic recovery.

I would say to the chairman of the committee, that there is almost $17 million in this bill for the renovation of one of the major veterans' hospitals in Connecticut. That means jobs in the construction trades, and I am happy for that. But I would say, Mr. President, that the veterans' community in Connecticut needs that hospital to be renovated. This is not just a make-work program. It is going to make work, but it is also going to make a needed, a needed improvement to that hospital in West Haven, CT.

So I feel very strongly that despite my respect for those who offer these amendments, the American public ought not to be deluded or fooled in any way. Those who offer these amendments basically and fundamentally disagree with the President of the United States and the chairman of the Appropriations Committee about the need to put people to work in order to stabilize and to have take root the economic recovery that is occurring in many parts of the country.

I applaud the distinguished President pro tempore for his efforts. I think this bill is vitally important, and this list of programs it funds is so critically important as well. It will not only generate needed jobs but also provide needed improvements in this country.

I mentioned already in my own State what the stimulus package does, but I note more broadly the $2 billion for Pell grants. Is there anybody in this Chamber or country that does not appreciate the staggering increase in education costs that have taken place in recent years. We have all talked about health care costs and the tremendous rise in health care costs in the country in the last 10 years, and it is unbelievable. But, there is one other area of our economy in which costs have risen higher than in health care, and that is higher education.

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

Mr. DODD. I will take 30 seconds if I could.

Mr. BYRD. I yield 30 seconds.

Mr. DODD. Mr. President, higher education costs in the last 10 years have outrun the cost of health care. This bill has $2 billion for Pell grants. How many Americans tonight have children who may not be able to get a higher education? How many have children who they have raised and cared for, and nurtured, only to find the opportunity for higher education denied to them in 1993?

This bill provides assistance to those Americans. Do not tell me that is not an emergency. You tell the American family that is trying to educate their child, that it is not an emergency—and tell me their response.

So I commend the chairman of the Appropriations Committee, and I commend those who have been involved in moving this bill forward. I thank the President of the United States for his unwavering commitment to this effort, and I urge, with all due respect to my colleague from Wisconsin, the rejection of this amendment and the adoption of this package which is critically important to the recovery of our country.

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

Mr. RIEGLE. Mr. President, I wonder if the Senator from West Virginia might be able to yield me, say, 6 minutes or so?

Mr. BYRD. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 9 minutes and 23 seconds remaining.

Mr. BYRD. I call attention to Senators, when they see the amount of time that is yielded to them the time comes out of the total time and we end up in the end without time.

I yield 6 minutes to the distinguished Senator, and I thank the distinguished Senator from Connecticut.

Mr. RIEGLE. Mr. President, I thank the Senator for yielding. Put me down with the Senator from West Virginia on this issue because he is exactly right.

I want to say, with all due respect to my colleague from Wisconsin for whom I have great respect and fondness, he is just dead wrong on this issue, and I will explain why here in just a minute.

Mr. President, do you know in Japan these days they have just announced a stimulus program? Do you know how much their stimulas program is in Japan? Their unemployment rate, by the way, is 2½ percent. That is the problem they are facing in Japan. They announced a stimulus plan in excess of $100 billion, $100 billion. And we are talking about a tiny fraction of that.

We need every penny of this stimulus. If anything, we need more stimulus than we have in this package now. We cannot afford to cut it in half, I say to my friend from Wisconsin.

Look at today's newspapers. Here is the business section of the New York times. A lead story on the financial page is "Consumer Confidence Off Sharply."

Let me take you to the Wall Street Journal of today, to a front-page item that says, "Consumer confidence fell in March for the third straight month, raising concern that the economic recovery may stall."

This is the Wall Street Journal. This is a newspaper that pays attention to what is going on in the economy of this country.

You turn to the article. The headline on the article is "Consumer Confidence Index Slips Again, Raising Fears That Recovery May Stall." There are these two quotes.

"The signals we've been getting over the last three months could be troublesome for what will happen in the economic future," said Fabian Linden, who directs the Conference Board's Consumer Research Center. C.J. Lawrence economist Debbie Johnson said that unless confidence turns around, the recovery could stall.

Dropping down further in the article:

Most of the drop in consumer sentiment during March was due to worry about job prospects.

That is what we are talking about here. This is a jobs bill, but the drop in the consumer confidence index is due to worry about job prospects.

Roughly 41 percent of respondents described jobs as "hard to get," while only 6.7 said jobs were "plentiful." Confidence fell in seven of the nine regions tracked by the index.

We need every penny of this stimulus. The Senator from Wisconsin also, I think, is the principal owner of a basketball team, the Milwaukee Bucks, if I am not mistaken. What he is proposing in terms of cutting this package in half, is to say, "All right, we will give you the second half of the stimulus to create the jobs, but you have to subtract an equal amount out of the budget; in other words, you have to take away as much stimulus as you are putting in."

Let me tell you what that is like in basketball. In basketball, you have five players on the floor. It would be as if you went out and you signed up a great forward to go down and play the forward position on the floor and score a lot of points for you. So you have him in place. But then you took the other forward position and told that fellow to go sit down because you have one forward working for you, but you are going to take away an equal amount on the other side. So you are out there and instead of having five players, you have four players. You cannot win the game that way.

We are not going to create jobs that way. That is why I brought this chart

here that shows in this recession, this jobs recession which is still going on 30 months since the onset of the economic downturn. Our job growth is still way down here. We have not gotten the jobs back that we lost during the recession. We are not up to here where we should be, where we have been in previous recessions when by this time we have recovered our jobs.

So there is a terrible job shortage in America today, a terrible job shortage.

That is why we need the stimulus. And we do not just need part of it. We need it all. You cannot say, "Look, we will give you the stimulus. Yes, we will give it to you, but we are going to subtract the same amount of money at the same time."

That does not make any sense. As I said, that is like putting a basketball player on the floor to do something and then taking another one over in another position, playing without that player. You cannot win that way.

That is how you lose. And we have been losing. That is why the people in this country decided to elect a new President last year, one who would not just have, as the old one did, an economic plan for every country in the world except this one. They elected a President who would offer an economic plan for America, and he has done that. Here it is, and we have to enact it.

We need it. We need it in every State of the country. We certainly need it in Connecticut. I would submit we need it in Wisconsin and we need it in West Virginia. And I can vouch for the fact that we need it in Michigan.

We have people out there now who have worked 10, 20, 30, 40 years with experience and the highest job ratings and they have lost their jobs. Their plants have closed. They have been laid off. Their jobs have disappeared. They cannot find replacement work.

You talk about a retraining program. We do not know what to retrain people for right today.

I relieved a letter the other day from a man who has been through three retraining programs, has a graduate degree, and still cannot find a job.

So we have to have some job stimulus. And my hat is off to the President for being willing to come forward with a plan to invest in our people. We need summer jobs.

Part of this, by the way, is to provide emergency unemployment benefits. Part of this money that falls in the area targeted by the amendment of the Senator from Wisconsin hit the unemployment benefits.

Now, he will say, I am sure, yes, but you can go ahead and do that as long as you can cut something else out. That gets rid of the stimulus. There is no stimulus then. Then we are just treading water, where we have not many any progress in that kind of a circumstance.

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

Mr. RIEGLE. I thank the Senator for yielding.

I want to say that we have to defeat the amendment of the Senator from Wisconsin and support the position brought forward by the chairman of the Appropriations Committee, Senator BYRD.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Mr. President, I might ask for 1 additional minute, with the chairman's permission.

I would like to respond to my friend from Michigan.

He made a basketball analogy. As it occurs, just a month ago, we traded with your Pistons. We gave you Alvin Robertson, a healthy ballplayer who runs all the plays, and you gave us Orlando Woolridge, who is sitting on the bench not contributing at all. He is injured.

Mr. RIEGLE. That makes my point exactly.

Mr. KOHL. That makes your point exactly.

I want to also respond to the comment that in order to fund unemployment benefits and the summer jobs program, we are going to have to cut other programs to do that. That is not the case.

This amendment specifies that the unemployment benefits due this year will be paid and will be paid on an emergency basis, paid for, as we say, by deficit spending.

It is the spending in years beyond this year which will not be covered by deficit spending.

I want to also say to my friend from Connecticut that the amendment that I am offering does not say, does not intend, will not produce, the kind of cuts he has talked about.

I have endorsed the stimulus program. I think we should go forward with it. But, at the same time, I am saying that in the years after this, we should find a way to pay for it.

Now, again, I am saying to the Senators that this year we are imposing the biggest tax increase that the American people have ever seen and we are coming right back and saying to them, "It is not enough. We will deficit spend again next year." And we are trying to find a way to say that makes sense.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. KOHL. Mr. President, I will close my argument. It will take me 1 minute.

The PRESIDING OFFICER. The Senator has 47 seconds remaining.

Mr. KOHL. Mr. President, this amendment responds very clearly to the sentiment that I have heard across my State and all across our country, and that sentiment is to cut spending first and make our budgets both meaningful and honest.

The people who argue against this amendment say that we need to increase the deficit in order to improve the economy. Well, Mr. President, we cannot improve the economy by deficit spending. It is deficit spending which is having a ruinous effect on our economy. This amendment attempts to come to grips with the deficit, albeit in a painful way, and to find a way to pay for what we want to spend.

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

Who yields time?

Mr. SHELBY. Mr. President, I have made no secret of the fact that I am firmly opposed to the supplemental appropriations bill that we are considering today. This bill will spend some $12 billion as emergency spending. By declaring this bill an emergency spending measure we will escape the constraints of the discretionary budget caps included in the 1990 budget agreement. This action comes only one week after we approved $295 billion in new taxes under the banner of deficit reduction. This action sends the wrong message to the American people. We preach fiscal responsibility with one hand and spend money through the back door with the other.

There is little or no justification for this measure as either a stimulus or as an emergency measure. Our Nation has a $6 trillion-plus economy. I cannot truly believe that this measure will have any appreciable effect on our economic health. Rather, it provides for expensive, make-work public works projects that produce no permanent jobs of significant economic impact while simultaneously adding to the deficit. Summer jobs and community development block grants may be attractive, but they are not economically necessary. Make no mistake about it, this $12 billion stimulus is not a stimulus, it is spending for spending's sake. If this spending is so necessary to jump-start the economy, then why is $8 billion of this being spend in fiscal years 1994 and 1995?

We do not need this package, Mr. President. I would prefer that if the Senate finds it so necessary to spend this money, if it is so critical that we spend money on the various projects contained within the bill, then we should place the spending under the budget caps and cut less deserving programs in their place. For this reason, I strongly support the amendment offered by Senator KOHL. His amendment would place the $8 billion in spending for fiscal years 1994 and 1995 under the budget caps. Although I would prefer that the entire $12 billion be placed under the caps, the Senator from Wisconsin's amendment is a step toward fiscal responsibility and sets the right tone with the American people. His amendment does not require that any of these appropriations will not be spent, rather it simply asks that we prioritize our spending and not give in to the temptation to use the emer-

gency loophole to spend money through the back door without discipline. I am convinced that this is not what the American people want from us and I urge my colleagues to support the amendment.

Mr. BYRD. Mr. President, I yield the remaining time to myself.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I call attention again to the CBS News/New York Times latest survey.

The question that was asked: "Which is more important in the immediate future, creating jobs or reducing the deficit?"

The response was, creating jobs, 67 percent; reducing the Federal deficit, 19 percent.

Mr. President, the letter written to me by President Clinton on March 23 states again, and I will repeat it here, "Finally, I would strongly oppose"—this is President William Jefferson Clinton, his letter to me, March 23—"Finally, I would strongly oppose any attempt to provide offsets for any portion of the stimulus package. To do so would cancel"—cancel—"the intended benefit of the measure and threaten the education infrastructure, health and other investment initiatives proposed in my five-year economic plan."

Mr. President, I hope that the Senate will reject this amendment. I will make a point of order and I hope the Senate will not vote to waive the point of order.

Section 306 of the Congressional Budget and Impoundment Control Act of 1974, as amended, prohibits the consideration of legislation within the jurisdiction of the Senate Budget Committee not reported by that committee. The pending amendment is legislation within the jurisdiction of the Senate Budget Committee. H.R. 1335, now under consideration, was not reported by the Senate Budget Committee. Therefore, I make a point of order under section 306 against the amendment by Mr. KOHL, and I ask for the yeas and nays.

The PRESIDING OFFICER. The point of order is heard.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I move to waive section 306 of the Budget Act, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. DOMENICI. Mr. President, is that motion debatable?

The PRESIDING OFFICER. No, the Chair advises the Senator from New Mexico, it is not debatable.

All time on the underlying amendment having expired, the yeas and nays have been ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to speak for 2 minutes.

Mr. BYRD. Mr. President, the other day,when I asked for 1 minute, the distinguished Senator from New Mexico objected.

Mr. DOMENICI. That is correct.

Mr. BYRD. I will not object to his request for 2 minutes.

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

The Senator from New Mexico is recognized for 2 minutes.

Mr. DOMENICI. Mr. President, I do not want to explain why I did what I did, but I very much appreciate what the chairman has just done and I thank him very much.

Frankly, I think everybody should know that this is probably exactly the kind of amendment that we should not be using a point of order on.

Technically, the point of order lies. But I cannot really imagine that we would really be serious about a point of order against an amendment that saves money. That is rather interesting.

This amendment, if I understand it—and, frankly, people can vote how they please on it—says, first year spending, OK; second and third and fourth year spending, put it under the budget.

Is that correct, I ask my friend, the sponsor of the bill amendment?

Mr. KOHL. Yes.

Mr. DOMENICI. So, in a sense, clearly within the rules and clearly within the prescription of the Budget Act, it is technically subject to a point of order.

But I honestly believe that the U.S. Senate ought to waive this point of order and ought to waive it very quickly. They will not, but they ought to, because the Budget Act and the budget process is to get the deficit under control and to spend less money and have less deficits and borrow less money. In a very real sense, that is what this one does. Yet it is being made out of order, saying we will not even vote on it because it is subject, technically, to a point of order.

I yield back any time I might have and thank the chairman for agreeing to my unanimous consent.

The PRESIDING OFFICER. The Senator from West Virginia has 2 minutes.

Mr. BYRD. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the motion of the Senator from Wisconsin. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The yeas and nays resulted—yeas 52, nays 48, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—52

Bennett	Feingold	Murkowski
Bond	Gorton	Nickles
Brown	Gramm	Nunn
Burns	Grassley	Packwood
Chafee	Gregg	Pressler
Coats	Hatch	Robb
Cochran	Hatfield	Roth
Cohen	Heflin	Shelby
Coverdell	Helms	Simon
Craig	Jeffords	Simpson
D'Amato	Kassebaum	Smith
Danforth	Kempthorne	Specter
DeConcini	Kohl	Stevens
Dole	Lott	Thurmond
Domenici	Lugar	Wallop
Durenberger	Mack	Warner
Exon	McCain	
Faircloth	McConnell	

NAYS—48

Akaka	Feinstein	Mathews
Baucus	Ford	Metzenbaum
Biden	Glenn	Mikulski
Bingaman	Graham	Mitchell
Boren	Harkin	Moseley-Braun
Boxer	Hollings	Moynihan
Bradley	Inouye	Murray
Breaux	Johnston	Pell
Bryan	Kennedy	Pryor
Bumpers	Kerrey	Reid
Byrd	Kerry	Riegle
Campbell	Krueger	Rockefeller
Conrad	Lautenberg	Sarbanes
Daschle	Leahy	Sasser
Dodd	Levin	Wellstone
Dorgan	Lieberman	Wofford

The PRESIDING OFFICER. On this vote, the yeas are 52, the nays are 48. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

The amendment of the Senator from Wisconsin [Mr. KOHL] contains subject matter within the jurisdiction of the Senate Budget Committee but has been offered to a bill that was not reported by that committee. The amendment therefore violated section 306 of the Budget Act. The point of order is sustained and the amendment falls.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER (Mr. KOHL). The Chair recognizes the Senator from Florida.

AMENDMENT NO. 288

(Purpose: To authorize the States to transfer apportioned funds between Federal highway program categories)

Mr. GRAHAM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself and Mr. MACK, proposes an amendment numbered 288.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . HIGHWAY APPORTIONMENT FLEXIBILITY.

(a) IN GENERAL.—During fiscal year 1993, subject to subsections (b) and (c), and notwithstanding any other provision of law, a

State may transfer among and within the following program funds apportioned to the State for fiscal year 1993 to carry out the following programs:

(1) The congestion mitigation and air quality improvement program established under section 149 of title 23, United States Code.

(2) The highway bridge replacement and rehabilitation program established under section 144 of such title.

(3) The Interstate maintenance program established under section 119 of such title.

(4) The Interstate substitute program established under section 103(e)(4) of such title.

(5) The National Highway System as described in section 103(b)(2) of such title.

(6) The surface transportation program established under section 133 of such title.

(b) LIMITATION.—An amount transferred from a program by a State under subsection (a) shall not exceed the apportionment of the State for the program for fiscal year 1993.

(c) EFFECT ON FISCAL YEAR 1994 APPORTIONMENT.—If a State transfers funds from a program under subsection (a)—

(1) the amount of funds shall be credited back to the donor program for fiscal year 1994; and

(2) the program to which the funds are transferred in fiscal year 1993 shall have the amount deducted from the amount apportioned to such program for fiscal year 1994.

Mr. BYRD. Would the distinguished Senator be agreeable to having a time limitation on the amendment?

Mr. GRAHAM. The Senator would agree to a time limitation. I would say an hour equally divided.

Mr. BYRD. Let me see if that is OK on this side.

Is there someone on this side?

Mr. GREGG. Mr. President, I guess I have been relegated on this side for the position. It is fine with us.

ORDER OF PROCEDURE

Mr. BYRD. I make that request, Mr. President, I ask unanimous consent that time on this amendment be limited to 1 hour; that it be equally divided and controlled in accordance with the usual form; that no intervening amendments or amendments in the second degree be in order.

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

Mr. GRAHAM. Mr. President, the amendment that I offer relates to a rather arcane provision in the highway bill. The purpose of this amendment is to provide for greater flexibility in the allocation and utilization of those funds that we are about to authorize and appropriate for that purpose.

But before I turn to the specifics of the amendment, I would like to make some general comments as to how I view the legislation that is now before us.

As we all know, over the past several years, we have had a dramatic increase in our national debt. We have been adding to the national debt at levels that far exceed what any previous generation of Americans has done.

Some time ago I became interested in this issue in the context of my own family, what had been the level of responsibility of my grandfather, my father, and what was going to be history's evaluation of our responsibility.

If I could, Mr. President, share that analysis of my family's circumstances, my grandfather, Philip Graham, was born in Wayne Township, MI, in 1859. In 1859, the national debt of the United States was $32 million. That is million with an "M." That is how much debt the United States had accumulated in the years from the Constitution until 1859, on the eve of the Civil War. That amounted to $1.30 for every man, woman, and child, every American alive on the day that my grandfather was born.

My father was born in 1885 in Croswell, MI. At that time, the national debt was $1.6 billion, largely accumulated to fight the Civil War. That amounted to $28 for every man, woman, and child in the United States. So I would say that my grandfather's generation during that period had handled the accounts of the Nation with responsibility.

I was born in 1936. In 1936, the national debt, which had been accumulated now over a period of some 160 years from the Declaration of Independence, had grown to $33.9 billion. I think that is an interesting and ironic figure, Mr. President, because the total national debt for the first 160 years of the Nation's history, more or less, approximates the debt that we are about to add to the Nation's debt in this action that is before us this afternoon—in this case approximately $32 billion. It took us 160 years to get up to $33.9 billion. When I was born, each American man, woman, and child, had a debt of $264 as their share of the Nation's debt.

My first child, Gwendolyn Patricia, was born in January 1963. In January 1963, the Nation's debt was $310 billion. That amounted to $1,640 for every man, woman, and child in the United States.

Between my birth and my first daughter's birth, we, of course, had completed the last ravaging years of the depression, fought World War II, Korea, and were in the beginning stages of what would become the Vietnam war.

We accumulated a national debt of $310 billion. We are fortunate enough now to have three grandchildren. The first of those grandchildren was born in October of 1991. At that point the national debt was $3.2 trillion or $12,900 for every man, woman, and child.

I recently have been blessed with a grandson, born in October of 1992. When my first grandson was born, the national debt had edged past $4 trillion, or $15,700 for every man, woman, and child.

I use this to put these big numbers in some sense of historic perspective.

From my grandfather's birth in 1859, to the national debt of $32 million—from him to my grandson's birth in October of 1992, to $4 trillion, with a "T", is what has happened to the fiscal responsibility of this Nation.

As I say, I offer this as context for the amendment that I submit, because I believe that we face here today an ethical question. The ethical question is, how long and how much can we continue to ask our grandchildren, the Sarahs, the Carolines, the Grahams, the other grandchildren of America? How long can we ask them to pay our bills? What is our ethical right to ask our grandchildren to accept our responsibilities?

That was not something that was asked by our grandfathers of us. They paid their bills. Our fathers paid their bills. We are the first generation in America's history to accumulate this burden, to transmit this legacy of indebtedness to our children and grandchildren.

So when we face the question of adding, in 1 week's set of activities, as much national debt as we had accumulated in 160 years, I think we have a responsibility to enunciate why we can ethically do this.

I think that there are two conditions that we must find in order to meet that ethical test. The first is that these funds will, in fact, contribute to an immediate stimulation of the Nation's economy; putting people back to work raising the level of economic activity, recognizing the fact that that elevation of economic activity is a critical part of our ability to begin to seriously deal with the deficit.

But beyond that, I think there is a second requirement, and that is, we just say the product of that immediate stimulation, the goods and services which it produced, themselves contributed to the longer term, economic well-being of the Nation. It is for that reason, Mr. President, that I find one of the most salutary aspects of this economic stimulus program, the provisions that relate to accelerated spending for transportation. Transportation is an activity which has the capability of putting substantial numbers of people to work quickly. And to meet that second test of producing a product that will contribute to our long-term, well-being, better highways, better transportation system, will make us a more economically efficient Nation.

That brings me to the amendment. We are proposing to substantially increase the funding of our highway programs. In support that. But I believe that in order to see those funds produce the jobs and the enhancement of our economy which is the only moral, ethical basis for us to do this—and not pay for it, but ask our grandchildren to pay for it—that we must take every step to assure that these funds will, in fact, achieve their intended purpose.

The first amendment which I have submitted, which I have labeled the stimulus flexibility amendment, at-

tempts to deal with one of the problems in the current law as it relates to our highway spending—that would be less remedied, inhibit the accomplishment of the purpose of rapid translation of dollars into jobs, and the production of product which will be of maximum long-term benefit.

Within the highway bill—which is often referred to as ISTEA, the acronym of the letters of the 1990 Surface Transportation Act—there are various provisions as to the specific components of transportation activities from interstate maintenance to bridges, and there are about a dozen or so specific subcategories of spending.

The legislation that we have before us would essentially fund to the maximum extent each of those subcategories of spending.

The difficulty is that we are doing this in 1993 in the middle of a fiscal year which started with a decision to fund those accounts at approximately 75 percent of their maximum allocation. Let me just give an example of the problem that this creates and, therefore, why I think the solution that I have suggested is important.

Mr. President, to explain the mechanics that underlie this amendment, States were given an allocation of funds at the beginning of this fiscal year, October 1, 1992. That allocation was approximately 75 percent of the full authorization provided for in ISTEA.

I am going to illustrate this by gross oversimplification. Assume that instead of the dozen or more categories that in fact exist, there are only two categories under ISTEA; one was called roads and one was called bridges. Let us drop off a lot of zeros and just assume that a State could have received $10, for each of those two categories for a total of $20 spent—$10 on roads, $10 on bridges.

But as indicated, the appropriation, in fact, was only 75 percent of that $20 maximum. It was $15 made available for spending.

Under the law, the State had the opportunity to decide how to spend the $15. It could have spent $7.50 on roads and $7.50 on bridges. Or, it could have spent $10 on roads or $5 on bridges, or reversed, or any other combination as long as it did not exceed $10 in each category and did not exceed the total of $15 which had been available to it.

Let us assume that the State had decided to spend $10 on bridges and $5 on roads, and it proceeded to do the necessary planning and preparation to accomplish the task within those funds available.

Now at the end of the year, because of the action that we are about to take, the State suddenly gets another $5 to spend. If it had previously made the decision to spend the full $10 on bridges, then it would be unable to spend any additional funds on bridges, even it it had a bridge that was ready to go, and that was very desirable project because it had made a decision under an earlier set of facts to use $10 on bridges. It had essentially foreclosed that account and could not use this additional $5 for that purpose.

So what would the State with no projects left to be spent, do? Well, one, it might try to hurry up and get a road project where it could use the $5, or under a provision in this bill, if it was unable within 90 days to have a project that was ready to go it would lose its $5. And the $5 would go back into a pool and that pool would be redistributed to those States that could use the money.

My amendment gives States the flexibility they need to be able to put all of the stimulus dollars to work where they can do the most good in putting people to work and creating product that will be of the greatest benefit to the State.

In the example I cited, what would happen is that the State would be able to take that $5, and if it wanted to put it to the account of bridges, where it already spent its maximum, it would be allowed to do so. Under my amendment, however, in 1994, it would have to readjust its accounts in order to result in a 2-year period of having spent within the allocations. That is, in 1994, a State that overspent its bridge allotment in 1993 would have to underspend its bridge allotment in order to bring its accounts into balance over a 2-year period.

Mr. President, let me read the language of the operative portions of the amendment.

> The effect on fiscal year 1994 apportionment. If a State transfers from program under subsection A (1), the amount of funds shall be credited back to the donor program for fiscal year 1994; and, 2, the program to which the funds are transferred in fiscal year 1993 shall have the amount deducted from the amount apportioned to such program for the fiscal year 1994.

So essentially we are looking at what you might say is a biennial budget under this amendment to require that over a 2-year period there will be a balancing of the accounts.

Mr. President, this is not a esoteric amendment. This is an amendment which has been identified by the American Association of State Highway Transportation Officials as a No. 1 priority in terms of their ability to accomplish the purpose for which we are appropriating these highway funds, which is to get them to work, to put people to work and to create valuable, long-term transportation projects within their States.

In a survey of 40 States, 80 percent cited flexibility as an important element in their ability to accomplish the purpose for which Congress is about to make these funds available.

I will submit, for the RECORD, a letter signed by eight Governors, including Governor Cuomo of New York and Governor Chiles of my State, and six others, asking for flexibility in supplemental highway funding.

I also will submit for the RECORD, Mr. President, letters from the Texas and Maryland Departments of Transportation asking the U.S. Secretary of Transportation for the same flexibility which is provided in this amendment.

In summary, Mr. President, this is an amendment which I think is an important part of our ability to go back to our grandchildren and say: We can justify asking you to pay this money. This was not a project that was important enough for us to pay for, but we have asked you to pay for it because we believe that it will have resulted in a sufficient stimulation of the economy and a product that you and your parents will have benefited from, and that makes it morally acceptable for us to ask you to pay for it, not us.

It is a provision which the States have identified as their No. 1 priority in terms of their ability to accomplish that objective. It will maintain the integrity of the Intermodal Surface Transportation Act, by requiring that any changes made in 1993 be adjusted in 1994, so that no accounts will be benefited over a 2-year period. And it allows us to accomplish the fundamental purpose for doing this, which is to stimulate the economy in productive areas.

Mr. President, I submit this amendment and urge its faithful consideration.

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

Did the Senator say that AASHTO considered this their No. 1 priority?

Mr. GRAHAM. The letter that I have, I say to the Senator from New Jersey, from AASHTO stated under their report called Key Actions Needed to Facilitate Spending, that: one, flexibility in the use of any additional Federal aid highway funds is the most frequently cited factor necessary to assure their full use. Other important factors are the regulatory relief match, waivers of elimination, and obligation restrictions. But the most cited factor is the flexibility of the use of any additional Federal aid to highways.

Mr. LAUTENBERG. What is the date on that letter?

Mr. GRAHAM. This is dated December 7, 1992.

Mr. LAUTENBERG. I ask that because we had AASHTO in front of my subcommittee this morning, and for the Senator's information, the No. 1 factor that they were concerned about was the full funding of ISTEA.

Mr. GRAHAM. I am submitting for the RECORD the letter sent to you March 12 of this year signed by Governors Cuomo, Chiles, Thompson, Dean, Nelson, and others, which stated on behalf of those Governors, and I quote the middle paragraph:

Existing constraints within the Federal highway program will make it difficult for many States to use the increased obligational authority expected from the stimulus package in the most expeditious and beneficial manner to create jobs and spur economic growth. The flexibility to transfer Federal highway program appropriations to the categories where the increased funding can best be used for these purposes is critical to the success of the program.

Mr. LAUTENBERG. As the Senator knows, some of the States that he just identified were active supporters of ISTEA, and I will defer to the senior Senator from the State of New York, who was the author of ISTEA. I am sure he was in direct contact with the State governments when the flexibility as it exists in ISTEA was designed. The flexibility is there to provide a balanced transportation network in this country. I do not want to continue to use the Senator's time, because we have a time allocation here. It is up to the Senator from New York to distribute the time. So we will continue with the debate.

Mr. MOYNIHAN. The Senator from Montana wishes to speak, and I will yield 10 minutes to him. The Senator from Rhode Island would like 10 minutes, also. And then I will yield 5 minutes to the Senator from New Jersey. The Senator from West Virginia may wish to make a few remarks. I will insert mine in the RECORD.

Mr. CHAFEE. If the Senator from New Jersey wants more time——

Mr. LAUTENBERG. As a matter of fact, I do not want to deprive the author of ISTEA, the designer and creator of this great piece of legislation, from time. So perhaps I can take a minute or two less, and the Senator from Rhode Island can, also, so we can permit the distinguished Senator from New York to use his time.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, this is not a good idea. This, in effect, is a deal-breaker. The senior Senator from New York, the distinguished chairman of the Senate Finance Committee, is the author of the Intermodal Surface Transportation Efficiency Act, otherwise known as ISTEA. He did a tremendous job in pulling together a wide variety of interests and points of view when we reauthorized the Surface Transportation Act.

He did a tremendous job. Battles were fought in committee and on the floor of the Senate, and the House. We came up with a very innovative and solid program.

There were many amendments offered on the floor of this body as we debated ISTEA. We made a deal. We made an agreement. In fact there was one amendment offered during consideration of last year's appropriations bill, that would have removed minimum allocation from under the obligation ceilings. That amendment was opposed by the Senator from Florida. Whey did he oppose that amendment? Because the Senator from Florida said a deal is a deal. This is also not the time of break that deal.

Mr. President, he was right. Last year was not the time to unravel an agreement and that same argument applies today. This is not the time to unravel or take apart, a very extensive program that affects our Nation's highways. There has been no hearing on this amendment. We do not know what is involved with this amendment. It does not make sense for us to consider taking it up at this time.

The Intermodal Surface Transportation Efficiency Act, ISTEA, passed the Senate by a vote of 79 to 8. It passed overwhelmingly. And what the Senator from Florida now asks is that we essentially undo that act, we undo it by saying that States can spend dollars they receive in any way they want.

Mr. President, there are reasons why there are spending categories in ISTEA. For example, there is a category for congestion mitigation and air quality improvements. We want States to spend money to relieve congestion. It is also important to reduce air pollution in this country. We want to spend money on air quality improvements. Urban areas, also need attention. States should spend portions of their highway funds on urban congestion and urban traffic.

In previous, transportation acts, spending categories were rigid. There was little flexibility. The intermodal Surface Transportation Efficiency Act, however, addressed that problem by giving States much more flexibility. ISREA allows for a dramatic increase in flexibility.

I must say, Mr. President, in their earlier exchange between the Senator from Florida and the Senator from New Jersey We heard about AASHTO's views. Let me read the testimony of Mr. Frank Francois, the executive director of AASHTO, who testified this morning before the Transportation Appropriations Subcommittee:

At this stage, it appears premature to recommend changes to the overall structure of ISTEA. It needs a stable program. Until we know major changes are needed, the wiser course seems to be to wait a while longer.

That is what he said this morning. The Senator from Florida refers to a letter from AASHTO dated December 1992. Yet today, before the Senator from New Jersey's subcommittee, Mr. Francois said—and let me repeat—"Until we know major change are needed, the wiser course seems to be to wait a while longer." That is the prudent course, that is the prudent course to take.

Mr. President, I am not going to extend this debate any further except to say that this is not the time to take up this issue. We essentially would be gutting the Intermodal Surface Transportation Efficiency Act and that is not what we want to do today when we are considering a supplemental appropriations bill.

I have some concerns with some of the provisions in ISTEA—all Senators do—but we reached an agreement. I think it only makes sense today to oppose the Senator's amendment.

It does not make sense to reopen the act today. We will reopen the act when it comes up for reauthorization in a few years but not today. For these reasons I strongly urge Senators to oppose this amendment. This amendment is a deal-breaker and this is not the time to break deals.

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

The PRESIDING OFFICER (Mr. AKAKA). The Senator from New York.

Mr. MOYNIHAN. Mr. President, the distinguished Senator from Rhode Island, who is a ranking member of the Committee on Environment and Public Works, would like 7 minutes.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 10 minutes.

Mr. CHAFEE. Mr. President, I thank our distinguished leader.

Let us just outline briefly what the situation here is.

In the so-called stimulus package that is before us, it proposes that an additional $2.9 billion be released to the States for fiscal year 1993 for highway building purposes. It also directs that this money be spent on projects which can complete the bidding process within 90 days, within 3 months from the date of the enactment of the legislation.

Here is what has come up. A few States are now saying that they may have difficulty using this additional money because they may not have projects ready to go in the categories where they have these apportionments under this division that is required under the bill.

So what they are saying is they want to be relieved of spending money in certain categories this year. In other words, forget those other categories, let us just concentrate on the ones we want to concentrate on. In other words, what it comes down to, Mr. President, they want total flexibility with this money.

What State would not want total flexibility, to do exactly what they wanted to do with the Federal money? There are several problems. First, this bill was signed into law 15 months ago—it was not yesterday, it was 15 months ago in December 1991. States knew the amount of funds that they could expect and the distributions that would be required. Nobody raised any problems, and, indeed, Mr. President, most States came in asking for more money. It was not that they were disturbed about the money that they were receiving. They wanted even more, and

they were perfectly willing to divide it up in these categories as were set forth in the surface transportation law.

Is this $2.9 billion a surprise in this stimulus package? No; this is the same amount that was in that original package. In other words, they were geared up for that then. So nothing new has come into the equation. Back then they said they could spend it in the categories and nothing has changed.

Now, as has been pointed out, this surface transportation bill, some call it a highway bill but it was much more than a highway bill, that we passed and that was signed by the President in December 1991. It took some new directions in transportation. They were really extremely laudable new directions which was a result primarily of our chairman who said we are not going to go the same old way that we have been going, that if you have congestion, widen the highway, or if you have congestion build a new one. Instead, what the chairman and the rest of us heartily agreed to—and I like to think I made some contribution—our chairman said let us think anew about it. It is not all concrete that solves the problems of the world. So we included programs with names like congestion mitigation. In other words, our chairman said let us not just widen the roads, let us have ways of handling more traffic on the roads we have. And there were problems with air quality, and we addressed those because we had just passed the clean air bill. And there is another element that we included called transportation enhancements.

What the Senator who is proposing this amendment is doing is saying, no, no, we are not going to have those. We are just going back to the old way we used to do business. We are not going to have these special categories that were set forth in this carefully thought-out legislation which is not all narrowly constricted by a long shot. In the bill we passed there is plenty of flexibility. He wants total flexibility.

Mr. President, I do not think that is the right way to go.

Other States are willing to stick by their agreements and I think that this is a bad amendment and I hope it will be rejected.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, may I thank my colleague for so many years on the committee for his generous remarks about the ISTEA. It was an entirely bipartisan measure. Senator Symms who is no longer with us was the manager on the other side. In effect, there were no sides. We were all together in this. There were eight votes opposed.

Jessica Mathews in the Washington Post at that time said:

By an accident of timing, 1991 provides the first real opportunity to rethink national transportation policy since the interstate highway system was launched 35 years ago.

And we did.

Mr. President, I ask unanimous consent that editorials be printed in the RECORD.

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

[From the Washington Post, May 12, 1991]

AT LAST—A SENSIBLE TRANSPORTATION BILL

(By Jessica Mathews)

These days Washington is a city of missed opportunities. The administration has no domestic agenda to speak of, and while Democrats in Congress have more than enough ideas, they have no priorities. So when an opportunity to significantly improve national well-being looks like it might be seized, that is big, unexpected good news.

By an accident of timing, 1991 provides the first real opportunity to rethink national transportation policy since the interstate highway system was launched 35 years ago. Completion of that system has come in the same year as reauthorization of the five-year, $100 billion, federal highway act and just as the new clean air act has finally recognized in law the connection between what's in the air we breathe and how we travel. On top of this, the gulf war was a sharp reminder of the costs of oil import dependence in a country that devotes 70 percent of its oil use to transportation.

The moment has been seized by a bipartisan coalition led by Sen. Daniel Patrick Moynihan (D-N.Y.). This unlikely foursome, which includes Sens. Quentin N. Burdick (D-N.D.), John H. Chaffee (R-R.I.). and Steve Symms (R-Idaho) represents the range of national transportation needs, from those of rural, clean-air states to the heavily urban, congested and polluted ones. Their bill would revolutionize how transportation funds are spent. Over time, it could alter the face of America.

For half a century, our transportation priority has been highways. The crown jewel of the system, the 44,000-mile Interstate network, has contributed significantly to economic growth. But the single-minded focus on automobile and truck travel has proven to be self-defeating. Congestion in urban areas is worse that it has ever been. Productivity loss from time wasted in traffic is one of the country's fastest growing economic indicators.

Despite all the effort and money that has been devoted to improving air quality, the number of Americans who live where the air does not meet minimum health standards is growing. Communities have been fractured by huge roads and weakened more subtly by shopping areas that sit barricaded within vast stretches of alienating parking lots. Suburban sprawl drains cities of their jobs and tax base but cannot recreate their richness and vitality. Transit service is crumbling because it has been starved for funds. Continuing a long trend, federal spending on highways rose 85 percent in the past 10 years, while transit investment fell.

Beyond a shadow of a doubt, we now know that new roads generate more traffic than they serve. We know that vehicle use is growing faster than individual vehicles' emissions can be curbed. We know that we cannot build roads fast enough to meet demand under a highways-only policy.

It has been said that a working definition of lunacy is doing the same thing over and over again and expecting a different outcome. The country isn't crazy, but until this year the sheer political power and momentum of the highway program has been invincible.

No longer. The administration has proposed a new 150,000-mile highway program (including the existing interstate) to be called Highway of National Significance. Without a discernible rationale for a huge new construction program, the handsome name rings hollow. With the interstate program complete and the shortcomings of present policies undeniable, this is the moment to try something different.

The Moynihan proposal drops the new highway system and eliminates the long-standing bias against using federal money for anything other than highways. Under this plan the federal sharing ratio would be equal for all modes of transportation, and more than half the money could be used for transit. It lets states choose how to spend these funds based on their individual needs. If Arkansas needs more roads, fine. If New Jersey needs more transit, that's fine too.

This is no block grant program that abdicates the federal policy role to the states. It asserts a broadened federal interest. The national interest in transportation, the proposal in effect says, is not in moving cars and trucks but in moving people and goods with higher energy efficiency, lower environmental cost, greater economic productivity and more attention to the integrity of communities.

Today these interests—clean air, for example—are largely the responsibility of local and regional bodies, while state governments control transportation funds. The result is chaotic transportation spending, deteriorating air quality and endless, demoralizing political gridlock. The new plan shifts power to local and regional authorities, forcing everyone to the same table to agree on a coherent transportation plan that meets this broadened set of goals.

It sounds like common sense, and long overdue at that. But success requires overcoming the rich, powerful and experienced highway lobby, which over the years has come to view this pot of money as a birthright. On the other side are arrayed regional and local authorities tired of wasting years drawing plans their state agencies ignore, environmentalists who knew that the promise of the clean air act cannot be met without a new transportation policy, local groups concerned about congestion, historic sites, rational land use, neighborhood preservation and a host of other issues, and a variety of groups interested in energy security and economic efficiency.

It will be a classic battle between pork and policy, whose outcome could improve the quality of life in this country immeasurably.

[From the Washington Post, Nov. 29, 1991]

GETTING BACK ON TRACK

(By Jessica Mathews)

If you traveled any distance over this holiday, you probably caught a glimpse of the future. It isn't pretty.

The Federal Highway Administration thinks that congestion on the roads will quadruple in 20 years. That means we'll be holding our tempers through a mind-boggling 8 billion hours of annual traffic delay. By 2005, a 30-mile commute on U.S. Route 1 from New Brunswick, N.J. to Trenton could take five hours—considerably slower than the speed of a trotting horse and buggy.

If you flew—enduring airport tie-ups and an endless wait on the runway—the picture was much the same. By the end of the decade, 40 airports around the country will each experience more than 20,000 aircraft-hours of delay annually. For the largest airports, the figure is 100,000 hours each. Estimate your

personal share of that, and it's enough to make you weep.

If you took the train, you saw a major reason why paralyzing, productivity-draining, quality-of-life-destroying congestion is so large a part of our future. The United States has tried to become the most mobile society in the world without the third leg of the transportation triad—railroads.

For decades, public investment in the world's best interstate highway system and air travel network has been unstinting, while rail travel has starved. An extensive track network has disappeared, and technological advance stalled almost a century ago.

It didn't stop in Europe and Japan, however. The French Train a Grand Vitesse (TGV) and the Japanese Shinkansen, the bullet train, operate with top speeds of 185 and 165, respectively, with dozens and even, in a few cases, hundreds of trains per day on some routes. Since their inception, the two high-speed trains have carried more than 3 billion passengers without a single passenger fatality.

Improvements to both these trains should soon raise their peak commercial speeds to more than 200 mph. The TGV has been smashing speed records on its new Atlantique route. Not long ago, a test train broke 322 mph. Both Germany and Italy will soon have comparable service. The new German ICE train has been tested at 250 mph. Europe plans a high-speed rail network 19,000 miles long by 2015, stretching through the Channel Tunnel from Britain to Greece.

But, you say, the United States is too big for railroads. Not so. Distances here are much greater than those in Europe and Japan, but we also have many heavily traveled corridors with major cities 150 miles to 500 miles apart that fit the bill for high speed trains. Today's Paris to Lyon train—the slower TGV route with an average speed of 130 mph—would make the Washington to New York run, or New York to Boston, downtown to downtown, in well under two hours. At that speed, who would ever chose to take the shuttle? Outside the northeastern megalopolis, comparable opportunities include St. Louis-Chicago-Detroit-Milwaukee-Minneapolis, San Diego-Los Angeles-San Francisco-Sacramento, Houston-Dallas-Fort Worth, Miami-Orlando-Tampa and many others.

Building a modern rail network will be enormously expensive, but there are few alternatives, and they too are costly. Where relief from congestion is most needed, land for new highways is most scarce. A single heavily used high-speed rail line can replace dozens of lanes of highway. Sites for new airports are also hard to find, not least because citizen opposition is so strong. The Denver airport would be the first major new facility to be built in almost 20 years. When a large enough package of land can be found within striking distance of a big city, the costs soar more than $10 billion.

More highway lanes must be built, but these will only temporarily ease the underlying condition. Widening roads to control congestion, it has been said, is like letting out your belt to control obesity. Nor will more auto travel help control energy use, whereas rail uses 30 percent to 50 percent less energy per passenger-mile than auto travel, and 75 percent to 80 percent less than flying.

Because of the constraints on new construction, the biggest single benefit from high-speed rail service—comfort and convenience aside—would be to relieve the pressure on highways and airports, making travel predictable and less of an exercise in stress tolerance. Already, a few airports are lobbying for rail improvements to get short-distance passengers out of their overcrowded terminals. In doing so they recognize the linkage between competing forms of travel that policy makers have—until this year—resolutely ignored.

The highway bill just approved by Congress is the first advance in thinking about transportation in 35 years, a near revolutionary change for which New York Sen. Daniel Patrick Moynihan deserves most of the credit. While the new law is vastly better for rail transit and other options than anything that has come before, it has important weaknesses. It looks to the long-term possibility of magnetic levitation trains instead of to the near term reality of conventional high-speed rail. It is a jungle of provisions regarding which highway trust fund dollars can be used for which other purposes. And because it is the Surface Transportation Act, it excludes air travel.

The next logical step is to pool and abolish the separate highway and airport trust funds. They stand in the way of a transportation policy that targets public investment to whatever mode of travel best serves local and national needs. That will include a major role for rail. All Abooaard.

[From the Wall Street Journal, Dec. 17, 1991]

A PRIVATE JOBS BILL

President Bush has the opportunity to reshape America's transportation policy when he signs a $151 billion, six-year highway and mass-transit bill in Dallas tomorrow. Members of Congress were so busy using the bill to drag some pork back home that they barely noticed that it also included dramatic incentives to involve the private sector in rebuilding America's infrastructure.

The bill makes it federal policy to encourage private-sector financing of transit projects. For the first time since federal aid to highways began in 1916, states will be allowed to put tolls on existing and new federally funded bridges, tunnels and roads (other than interstates). The bill also allows all such facilities to be privately built and owned if a local public authority agrees. Private investors can qualify for federal matching grants for up to 50% of the cost of new roads or to rehabilitate bridges, roads and tunnels. Up to 80% federal participation will be allowed in building new private bridges or tunnels. In addition, toll revenue from the projects will count toward the required local share of transportation projects.

If properly implemented, the bill will have far-reaching effects. Carl Williams, the assistant director of California's transportation agency, says the law allows "states to lend federal bucks to private entities to build transportation facilities. If the states want to do this, it will blow the door off this industry." John P. Giraudo, a former general counsel to the President's Commission on Privatization, says the new law will "encourage many states to explore selling their bridges, roads and tunnels as well as encourage them to invite private-sector financing."

The nation badly needs such investment. When government at all levels began neglecting basic responsibilities in the 1960s in favor of new welfare and health programs, the nation's infrastructure suffered. Factoring in depreciation, the rate of nonmilitary investment in public works in the 1980s was only half that of the 1970s and just one-fourth that of the 1960s.

At this point, many state and local governments know they'll never get enough money out of the tax base to fix what's broken or add what's needed. They very much need private capital and innovative solutions. Traffic congestion, for example, might be eased with the off-peak pricing that a toll road allows. Even before this transportation bill passed, many states had already started experimenting with privatization.

Last year California contracted with four private companies to build $2.5 billion in new toll roads. Ground breaking for a 14-mile, private toll road near Dulles Airport in Virginia is set for the spring. Trucking associations are actively exploring the idea of purchasing and operating the New York State Thruway and the Massachusetts Turnpike. New technologies will let drivers use both new and old toll roads without stopping and pulling change out of their pockets. In Texas, bar-coded transit passes allow motorists to drive through tollgates at up to 45 mph.

So how did such a good idea get through Congress? Once the Members had stuffed 472 pork-barrel projects into the bill, many lost interest in its details. Democratic Senator Daniel Patrick Moynihan of New York then took the opportunity to insert a role for the private sector, which would allow states to leverage their federal grants into building additional projects, an idea that made both economic and political sense.

Sam Skinner, the former Transportation Secretary who is now George Bush's Chief of Staff, deserves credit for anticipating the role the private sector could play in rebuilding America. In February, he hoped the transportation bill would "embrace the private sector as a full partner of the public sector and as a for-profit player. We are saying to the investment community, come on in. There's money to be made in transportation."

But the private sector will participate only if the Bush Administration clears away the roadblocks to private involvement. Highway bureaucrats are going to resist; some are already vowing to micromanage any private-public partnerships out of existence. Regional planning organizations are notoriously hostile to private-sector involvement.

We certainly hope that the Bush administration gives this initiative the push it deserves. The President has been touting the transportation bill as a jobs program, but it'd be nice to think that something more innovative was possible than just pouring concrete into pork-barrel projects. And certainly Senator Moynihan deserves credit for having the imagination to embrace a financing strategy that his own state needs desperately. The road to better infrastructure through private financing and management now exists on paper. The job now is for the political leadership to, well, lead.

[From the Washington Post, Jan. 2, 1992]

STATE OF THE PLANET

(By Jessica Mathews)

On the two central determinants of the planet's future health, energy use and population growth, the United States achieved little in 1991. There were hopeful signs of change, but in the end, with one major exception, they fell short.

For the first time, both houses of Congress repudiated both pillars of the Reagan population policy. They voted to resume financial support of the U.N. population fund and to abandon the so-called Mexico City policy that prohibits support for most international providers of family planning services because these groups include abortion among their services. Though George Bush once championed a massive global effort to provide contraceptives to all who want them, the

White House refused even to discuss compromise. The measure died, and for the time being U.S. support for this global imperative remains a bone thrown to the Republican right wing.

It was equally a time of transition on energy policy. One lesson of the gulf war was forgotten almost before the fighting ended. For a few weeks an energy policy was our most urgent national need, then vanished with hardly a trace.

By the end of the year a critical mass in Congress recognized that a country that holds 3 percent of world oil reserves can ill afford wholesale energy waste or a policy that focuses solely on energy supply. Yet the alternative—a strategy that begins with energy efficiency—is still politically feeble. And so the Senate defeated the president's energy plan, which was little more than an oil production bill, but had nothing to put in its place.

In a move that could mean large future cuts in energy use, however, Congress did say "enough" after 35 years of single-minded dedication to building highways. In the most under-reported story of the year, it redirected 120 billion in federal dollars, and billions more in state funds, toward support of rail, transit, van, pedestrian, bicycle and congestion-management options, seating dozens of new decision makers at tables once reserved for highway engineers. The new law is a promise that will have to be redeemed in tough political combat, city by city and state by state. Air quality, oil needs, congestion and rational land use will all be determined by the outcome.

Without an energy policy, the United States was unable to grapple with the threat of greenhouse warming and found itself increasingly isolated in international negotiations. Vigorous diplomatic arm-twisting failed to hold British and Japanese support of Washington's view that nothing should be done yet. By year's end, only Saudi Arabia and the ex-Soviet Union remained in the U.S. corner.

The difference of opinion is about the cost of taking action, not about science. Europe and Japan believe they can prosper with even higher energy prices (their gas taxes are already 10 times ours) and more efficient energy use. The United States, not yet having started down that path, does not. The administration insists that Europe's intention of cutting carbon dioxide emissions is empty rhetoric. That view took the last of many knocks a few weeks ago, when the European Community approved the general terms of a carbon tax.

The year did not set another global temperature record, probably only thanks to the eruption of Mt. Pinatubo. But in most respects, the global commons continued to show signs that despite heightened effort, man's impact on natural systems still far exceeds his ability to control damaging activities. Ozone loss over the Northern Hemisphere, for example, was found to be twice as great as predicted even though chloroflurocarbons are being phased out on, or ahead of, schedule.

A global agreement to ban the use of driftnets in the oceans stands out as an exception to this trend. The credit for it goes to relentless U.S. pressure applied through trade sanctions. The ban is a vital reminder that trade agreements must not harness the pace of international environmental progress to that of the slowest marcher.

A successful outcome to the Uruguay Round trade talks is devoutly to be wished for, but if it is achieved at that price, as the current draft GATT agreement suggests, it would be a pyrrhic victory. Without the U.S. ban on fish imports from countries using drift-nets, the indiscriminate and wholly unnecessary slaughter of inedible fish, dolphins, whales, seals, turtles and seabirds would still be accepted practice.

On the international scene, and at home, public opinion was the most notable environmental actor in 1991, making itself felt with unprecedented force in international negotiations and corporate boardrooms. Polling data suggests that governments have not caught up to the public desire for change. Business is responding more quickly, having discovered that improved environmental management often saves money and having, seen, in some cases, the long-term gain in embracing, rather than resisting, environmental concerns.

The outlook for 1992 is for more of the same. Energy is likely to remain the stumbling block in Washington, but progress toward greater efficiency will continue through state policies and in the private sector. Without a national consensus, however, the United States will have little to offer in international leadership and runs the risk of severe, long-term economic loss.

[From the Washington Times, Feb. 10, 1992]

ON THE ROAD TO EFFICIENCY

(By Donald Devine)

Wonderful irony: Woodrow Wilson's quiet revolution in American politics may be ending at the Woodrow Wilson Bridge. For Wilson is the father of federal-government planning in America, and his philosophy is running out of steam over the inability of his powerful national government to build a modern, upgraded bridge.

The counterrevolution is being led by an unlikely hero. Sen. Daniel Patrick Moynihan has always been the most interesting Democrat in Congress, and now he is the most courageous. He has faced the most important public policy dilemma now before those honest and serious enough to recognize it—that there is not enough federal money (even in the most solvent trust funds) to finance essential projects, much less all the good things for which people might wish.

Mr. Moynihan stared at the unsettling fact that there are 250,000 unsafe bridges (and who knows how many roads) in the United States, and that even the Highway Trust Fund cannot support their repair. For members of Congress know they can cut ribbons for new roads but local officials or bureaucrats will get the blame for collapsing bridges needing repair.

In one of those rare acts of legislative responsibility, Mr. Moynihan insisted that the 1991 Highway reauthorization bill seriously address the problem. He first removed the U.S. prohibition for tolls being collected on bridges or roads built with its funds; and, second, allowed private firms into the highway business.

The former allows the local officials who will get the blame to protect themselves by obtaining a reliable source of funding for necessary repairs. The latter provides a means for the states to leverage their funds by lending up to 85 percent to private firms to build and manage toll roads that would eventually pay the bonds for roads that would revert to the state.

For the first time, states would be allowed to lend federal funds to private companies to build or repair roads or bridges by charging fees for their operation. As the accompanying table shows, by lending states can highly leverage their funds. At a $85 billion federal and $15 billion state expenditure, the value of roads built can be increased from $100 billion to $185 billion because they can reinvest the funds repaid from the private managers.

While market purists may object to government funds at all, this first step in radically reforming this long-time government monopoly business gets a private nose into the state's tent for a change.

Private operation of toll highways at the state level is already a reality. Former Reagan administration official, Ralph Stanley's granddaddy private tollway in Northern Virginia is on schedule. Not only will a necessary road be built and revert to the state, but it will be more user-friendly. Good old private initiative will remove the toll barrier for regular users, utilizing a decal on the car window that will automatically charge customers (no longer called commuters) for their trips.

Private revolutions are taking place all over the transportation business. Communities are demanding they be allowed to build new airports, and airlines are requesting authority to create a market by trading landing rights—so air travel can really be privatized.

Even the stodgy railroad business is having second thoughts about bigger-is-better. Burlington Northern Railroad is selling unprofitable branch lines to small businesses that are making profits. Local communities, too, are running commuter operations more efficiently than earlier federally supported operations. Somehow, the little guy can make it where the mammoth corporation utilizing government regulatory protection cannot.

And hold your hats for this. The American Trucking Association is making noises to buy all of the state toll highways in the East for itself. Sick of paying ever-higher taxes with no control over operations, ATA President Thomas Donohue said about his idea: "If we pay for the roads, we might as well own them."

Mr. Moynihan pronounced the 1992 Surface Transportation Bill as the beginning of the "post-Interstate era." More accurately, it is the end of the idea that big government can plan big projects. Highways and mass transit, two of the first sectors with massive government regulation, are the first to begin the long road back to the states, communities and private ownership. Being so vital to commerce, transportation is one of the first to feel the pull of decentralizing market forces away from government bureaucracy.

Perhaps the most interesting thing about this new era is that it was launched quietly. Moynihan snuck his provision into the bill at the last moment so that it survived congressional and Office of Management and Budget vetting. Even after the bill was passed, these two centers of obstruction did not know what it contained.

If the normal sentinels of the legislative process had been alert, there probably would have been no surface transportation revolution. Congress seems to act best when it does not know what it is doing. In this case, it literally ended the idea of a national government transportation policy, and no one knew until now.

The ultimate put-down to libertarian-conservatives used to be: "What do you want to do, sell the roads?" As a long-time sufferer on the Woodrow Wilson Bridge each morning, I can now say without hesitation, "Yes."

[From the Washington Post, Nov. 24, 1992]

CURES FOR CONGESTION

(By Jessica Mathews)

Until Congress passed a landmark reform last year, transportation spending was head-

ed toward a dead end. For more than half a century the United States had become steadily more reliant on just automobiles and trucks for ground transportation. Spurred by heavy direct spending for roads and by large government subsidies for free parking and highway services, motor vehicle use soared while the other options—transit, railroads, pedestrian and bicylce—withered.

For awhile the roads-only strategy worked. The world's best road system made us mobile and boosted productivity. More recently, this narrow focus has had three quite different results. It has made it impossible to slow the growth in oil imports. Over the last 20 years, oil use has dropped sharply in every other sector, but growth in transportation demand has more than made up the difference. It has also made it impossible to achieve healthy air. And it has, in the words of the Federal Highway Administration's stunning self-indictment, given us congestion that "affects more areas, more often, for longer periods, and with more impacts on * * * the economy" than ever before.

The FHWA has been remarkably candid about the future, too. It expects congestion to quadruple in the next 20 years. In Los Angeles, freeway speeds are projected to fall to 11 mph. But by then Los Angeles won't even be in the Traffic Top Ten. Dallas, San Antonio, Miami and Charlotte, N.C., will.

Already, congestion is growing much faster than productivity. Nearly 70 percent of peak traffic is stop-and-go, and the rush "hour" is getting longer and longer. Congestion costs the economy $100 billion per year—nearly 2 percent of GDP—without even counting the costs of excess pollution and wear and tear on vehicles from the starting and stopping.

Despite the costs and the wear and tear on drivers, we are growing accustomed and beginning to take for granted a condition that is hideous and unnecessary. We are not doomed to spend more and more hours stuck in traffic. There are solutions.

The first step is to understand what won't work. We cannot build our way out of this bind. There is a limit to space in urban areas and a limit to money, but without alternative policies there is no limit to traffic. Planners call it "traffic generation." New roads generate new traffic until crowding rises to the point where some drivers stay home or use other means. When another lane opens, those travelers reappear, and the cycle starts again. The builders cannot keep up. In the last 20 years, though nearly every transportation dollar went to building roads, urban highway capacity rose by 4 percent while road use nearly doubled. Adding new lanes as a solution to congestion is akin to making a new hole in your belt as a solution to gaining weight.

Like watching what you eat, the answer in transportation lies in paying attention to demand rather than only building new supply. This will likely be the most far-reaching of the transportation reforms Congress made last year. It is an idea exactly analogous to the revolution that is sweeping the electricity industry. Utilities are learning that it can be far cheaper to provide the needed energy through hundreds of demand-management approaches (everything from buying back old energy-guzzling refrigerators to supply high-efficiency light bulbs) than it is to build new power plants.

As in energy, demand management requires lots of different measures. Added support for transit, rail, bicycle and pedestrian travel is necessary if these are to become realistic alternatives to auto travel. Some of that spending can be covered by reducing or eliminating auto subsidies, of which by far the most important is the parking subsidy.

An astounding 77 percent of American workers drive to work to a free parking space. The reason is that the federal tax code counts free parking as an untaxed fringe benefit. But unlike other such exemptions, this one does not raise employment, productivity or public well-being. On most counts, it does the reverse. It also nullifies spending on transit, because nothing can compete economically or psychologically with a free parking space.

HOV lanes, traffic information systems and other such measures can improve traffic flow, but far and away the most effective and economically efficient approach is to charge congestion fees. New electronic systems embedded in cars and roads can automatically record how far each car travels at what time of day, billing drivers accordingly at the end of the month or, like Washington's subway fare card, at the time of purchase. Cars need not even slow down. Studies suggest that such systems will dramatically cut congestion. If the revenues are used to replace taxes on employment or investment, the net effect is a big economic boost.

New technology holds promise, too. The solutions here are not the so-called "smart" designs that pack more cars per mile of highway or direct drivers from tangled highways onto neighborhood roads. These merely put smart cars into a dumb system. But similar technologies can be used to guide variable route buses and car pools that go where commuters are and take them where they want to go.

Balanced spending among the travel options, discarding ill-judged subsidies, pricing that allows consumers to see the costs of their behavior and truly smart new technologies will all relieve our enveloping congestion. The only thing that won't work is more of what we've been doing for the last 60 years.

Mr. MOYNIHAN. Does the Senator from New Jersey wish to speak at this point?

Would the Senator from Florida perhaps wish to respond? Would he like to use some of his time?

Mr. GRAHAM. Mr. President, how much time does the Senator from Florida control?

The PRESIDING OFFICER. The Senator has 19 minutes remaining.

Mr. GRAHAM. I will reserve my time.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I would like to ask the opponents of this amendment one question.

Is the Senator from New York opposing this amendment?

Mr. MOYNIHAN. Yes.

Mr. STEVENS. Mr. President, will this in any way change the allocation to any State?

Mr. MOYNIHAN. No.

Mr. STEVENS. Is it entirely discretionary within the States as to how they use their money?

Mr. MOYNIHAN. Yes. The purpose of the existing law is to provide great flexibility to each State from a fixed formula.

And, as the Senator from Montana has said, and the Senator from Rhode Island, we worked this arrangement out with huge support on all sides.

Mr. STEVENS. Again, my question is: The Senator from Florida seeks additional flexibility within the State to use the funds that are allocated without any changes in the total amount allocated?

Mr. MOYNIHAN. Yes.

Mr. STEVENS. I thank the Senator.

Mr. MOYNIHAN. How much time has the opposition at this point?

The PRESIDING OFFICER. The Senator from New York has 15 minutes.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I yield myself such time as necessary in order to amplify the response to the question of the Senator from Alaska.

The Senator from Alaska, in response to the Senator from New York, is absolutely correct. This has zero to do with interstate allocation. Each State will get exactly the same amount of money under this amendment as they will get without this amendment.

The Senator from Alaska has been correctly informed that the only issue here is intrastate allocation over a 2-year period. At the end of the 2-year period, what is left of the fiscal year 1993 and the totality of 1994, the accounts will be exactly the same as they would be if this amendment is not adopted.

All this amendment does is allow the remaining weeks of 1993, where we are trying to accelerate this money to create the maximum number of jobs, to let a State decide that if there is a project that is available to us, ready to go, we will put people to work; let us go ahead and build it now, even if it means we go beyond the obligation account for that particular type of activity, recognizing that in 1994, we are going to have to spend that much less in that account. So that over the 2-year period, it is balanced.

I hope that that amplifies on the answer to the Senator from Alaska.

Mr. STEVENS. I thank the Senator.

Mr. GRAHAM. I yield the floor.

Mr. MOYNIHAN. Mr. President, I yield 5 minutes to the distinguished Senator from New Jersey, who is one of the authors of this measure, which was a wide bipartisan agreement on a new era of transportation policy.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

Mr. LAUTENBERG. I thank the Chair.

I thank my distinguished colleague from New York. Few have the knowledge and awareness of the development of the transportation system of this country that Senator MOYNIHAN has. As a result of his extensive familiarity with the Interstate Highway System, if you ever want to have a few very pleasant moments, listen to Senator MOY-

NIHAN review the history of the canal system throughout New York State, and discuss how the National Highway System we developed resulted in some of our cities being abandoned along the way, because we were encouraging further distance from the urban centers.

With that background, Mr. President, we worked very hard—long debates, extensive discussions, lots of research and review—and came up with a roadmap of where America was going in the future in terms of a balanced transportation network.

This was not just a nice idea that happened across a desk one day. This was an idea that was forced upon us by the fouling of our air, the spoiling of our environment, the time lost in traffic back and forth to work, shopping, and recreation.

Billions of hours are lost each year, Mr. President, because cars are stuck in traffic, pouring out carbon monoxide and other pollutants into the air, smothering plants and ruining buildings and monuments.

So with that in mind, ISTEA was created, because we said we need something different in America, other than concrete poured in more and more places. And when you come from a small State like mine, the most densely populated State in the country, one realizes there is just no more room for concrete.

We cannot avoid congestion unless we do something more creative. And, thusly, the idea was born by Senator MOYNIHAN and supported by many of us—both Senator CHAFEE, from the Republican side of the aisle, a distinguished and long-time member of the Environment Committee, worked on it, as well as Senator BAUCUS, now the chairman of the Environment and Public Works Committee. And, I may point out, the Senator from Florida as a member of the Environment and Public Works Committee, joined in. We all worked hard.

The debate, I thought, was over sometime during the end of 1991, when it passed this body after extensive debate and went to conference with the House. We sat for days, if I may remind the Senator from New York and the Senator from Montana, and ground out, inch by inch, word by word, this extensive agreement.

The Senator from Florida raised his objections at that time. He lost. That is what happened.

The vote was counted. The legislation was passed. And, thusly, a new era was created for transportation in America.

And today, as we try to pass the stimulus bill, to get this country back to work, to try to get people to pay taxes and get off the dole so that we can reduce our deficit, we now are rehashing a debate that took place 2 years ago and wound up permanently ensconced in the record books.

Mr. President, the administration does not want this to be changed. The committee has not held any hearings or review. As you heard from my colleague from Montana, today I sat as chairman of the Subcommittee on Transportation in the Appropriations Committee. We had FHWA officials, AASHTO representatives, officials from GAO, none of whom suggested that it was necessary at this time to suddenly jump in and start this debate as we near a recess, as we near an adjournment this weekend, when the country is crying for solutions to problems.

We suddenly now are going to rediscuss issues that we took care of in extensive debate. The Senator from Florida was not happy then, and he indicated that. But I remind the Senator from Florida that when we talk about a balanced transportation network, Florida is right up front wanting its share of transportation money, mass transit, and Amtrak funds.

So we approved a formula that is fair, on balance, to most of the States, almost every State in this country. Therefore, we ought not to be going through this at this time.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LAUTENBERG. I thank the chairman of the Finance Committee.

May I have a few more minutes?

Mr. MOYNIHAN. I yield 2 more minutes to the distinguished Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I thank the Senator from New York.

Mr. President, at this point in time, when the issue has virtually been resolved, why are we suddenly looking for flexibility that is not required? The highway department asked the State of Florida, do you need any more flexibility in terms of categories of spending? The answer, as I understand it, come back negative.

Mr. President, everybody would like to do whatever they want when they want, except we do have a process by which we provide the opportunity among States to engage in debate, with fairness, hopefully, to all participants. The majority eventually does rule.

So I hope we will be able to dispense with this now and get on with the task that has been assigned to us: Get this country back to work and allow us to reduce our deficit and stop the debate here that has little relevance in terms of where we go, in the final analysis.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I could not be more grateful to the Senator from New Jersey for his kind remarks about the Surface Transportation Act of 1991. It was entirely a bipartisan, collaborative effect. Again to quote Jessica Mathews, "Until Congress passed a landmark reform last year, transportation spending was headed toward a dead end."

We gave the States flexibility. We responded to the post-interstate highway era. To change ISTEA now would be to change a delicate and successful formula. It is no time to do that.

I yield the floor.

I ask how much time is remaining in opposition?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

The Senator from Florida [Mr. GRAHAM] is recognized.

Mr. GRAHAM. Mr. President, may I ask how much time the Senator from Florida controls?

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. GRAHAM. Mr. President, this has been an interesting debate I heard from the Senators from New York, Montana, New Jersey. Unfortunately, it has little to do with the issues we have today. We are not talking about changing ISTEA. We are not talking about doing anything, as the Senator from New York indicated, that would change the allocation from State to State. We are talking about a provision which is only applicable for the next 2 years. The situation on September 30, 1994, will be exactly the same whether this amendment is adopted or this amendment is not adopted.

I repeat: The situation on September 30, 1994, will be exactly the same whether this amendment is adopted or not adopted.

What this amendment does do is allow States, under the peculiar circumstances that they are now about to face if this legislation is adopted, to use the money in the most effective way they can to put people to work. I see the junior Senator from Montana is here. I do not know—I am making this hypothetical up totally out of whole cloth. But let us assume that the State of Montana in the first half of this fiscal year has already spent or obligated all the money it has on, let us say, interstate maintenance projects. It is now going to get some additional money. In fact, it will get about 25 percent more money under this economic stimulus program.

Suppose it finds it has a stretch of highway, interstate highway, that badly needs to be maintained. It has the plans drawn, it has people ready to do the work, do the maintenance, and it would like to spend the $10 million to go ahead and finish up that interstate maintenance project. If we do not pass that amendment, the State of Montana is going to be told, no, you cannot spend it on that project. You have to find a project within one of the other dozen or so categories where you have not spent up to your full obligation.

If my amendment is adopted, yes, they can spend the $10 million in the balance of this fiscal year on that

interstate maintenance project. But next year, in 1994, they will have to deduct $10 million from what they can spend on interstate maintenance. It allows them to look across what in essence is about an 18-month period and make some judgments as to which projects are ready to go, which ones they can spend on to put people to work on most expeditiously. But at the end of fiscal year 1994, they have to have their accounts exactly in the same condition as they will have them if this bill does not pass.

It is to me such a simple, logical proposal. We have a letter here signed by eight Governors representing Republicans and Democrats from a diversity of States, saying it is their highest priority in terms of their ability to actually use this money for the intended purposes. I have a quote from December 1992, not ancient history, from AASHTO, indicating this is the No. 1 priority of the State highway departments in terms of giving them what would be required in order to accomplish the purposes of this act. If all we are interested in is passing a bill in order to wrap ourselves in some feigned glory, let us do it. If we are interested in actually putting people to work, let us give the States this minimal flexibility in order to accomplish that purpose.

Mr. President, that is the intent of this amendment. It is focused, it is time delimited, it relates to an immediate circumstance. I think it is totally rational and it happens to accomplish the objective the President has set about, which is put people to work doing productive work.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield to the distinguished Senator from Montana, 2 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized for 2 minutes.

Mr. BAUCUS. I thank the distinguished chairman of the Finance Committee.

I will be very brief. The argument is made that Florida cannot spend this money. Let me read a statement from the Florida Department of Transportation dated January 29, when that department was asked if it could spend additional funds in this supplemental. The answer from the State of Florida:

> If the State of Florida were to receive additional Federal transportation funding in the current fiscal year, 1993, we would be able to immediately utilize these funds for worthwhile State projects which not only make good transportation sense but are also able to produce both short- and long-term economic benefits.

That is from the Florida Department of Transportation. If they have the money to spend, they say they can spend it.

This is a supplemental bill appropriations. This is not an authorization bill we are debating here today. When we get to the surface transportation reauthorization, we will debate these kinds of amendments. We had this debate in 1991 and we passed ISTEA. We made an agreement. We made a deal. This amendment is not appropriate on this bill and should not be before us today.

I have already indicated the State of Florida can spend the money. At least the Florida Department of Transportation says they can spend the money. But more important, this is a deal breaker. We should not be breaking deals on supplemental appropriations bills. It is that simple. Let us just vote this amendment down at the appropriate time.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The Senator from West Virginia has 6 minutes.

Mr. BYRD. How much time does the distinguished Senator from Florida have?

The PRESIDING OFFICER. He has 13 minutes.

Mr. BYRD. Would the distinguished Senator from Florida like to use some time, because I think we have a speaker on our side who last spoke.

Mr. GRAHAM. Mr. President, we have one Senator who has indicated a desire to speak in favor of the amendment. I reserve time for that Senator as well as reserving time to close.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, this amendment would ensure that this bill will go to conference. This amendment, if it is adopted, would assure that the bill will go to a conference with the House. It has been my hope all along we would not need a conference with the House. The few amendments that have been adopted, I think, would be agreeable to the House. I cannot guarantee that, but our initial soundings seem to indicate that the House would have no problem with the amendments that have been adopted in the Senate thus far. But the amendment that is now pending before the Senate would be opposed in the conference with the House by many Members of the House. It is opposed by many Members of the Senate. It is authorization on an appropriations bill, and it is not the kind of legislation that ought to be discussed in connection with this stimulus package.

So I urge Senators to vote to reject this amendment. When the time comes, I will move to table it.

The President does not want this bill defeated. He does not want it emasculated. He does not want it mutilated. The thing we ought to do is get on with the passage of this bill and on to other things, such as the conference report on the budget resolution.

Mr. MOYNIHAN. Will the distinguished chairman yield for a question?

Mr. BYRD. Yes.

Mr. MOYNIHAN. Mr. President, he is aware, is he not, that the chairman of the Committee on Environment and Public Works, and the ranking member, have both spoken against this amendment which would change legislation that took us 1 year—sometimes it seemed like 10—to enact.

Mr. BYRD. Yes, the chairman of the Appropriations Committee is very aware of the fact that the distinguished chairman of the Senate Committee on Environment and Public Works, the distinguished chairman of the Subcommittee on Roads has opposed it, the distinguished Senator from Rhode Island, the ranking member has opposed it. So it has bipartisan opposition.

Mr. MOYNIHAN. And of course so does our colleague on the Appropriations Committee, Senator LAUTENBERG.

Mr. BYRD. And the chairman of the Appropriations Subcommittee on Transportation.

Mr. President, let us not delay the action on this bill by adopting an amendment of this kind. This is an amendment that ought to be debated more than 1 hour. This is the kind of amendment that is usually debated by hours and hotly contested because it cuts across many States. This is not the place to adopt such amendment. If I have any time remaining, I will yield it to anybody who wishes to have it. How much time is remaining now, Mr. President?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. BYRD. How much time remains on the other side?

The PRESIDING OFFICER. The Senator from Florida has 12 minutes and 45 seconds.

Mr. BYRD. I thank the Chair.

Mr. MOYNIHAN. Will the Senator, the President pro tempore, yield 1 minute?

Mr. BYRD. I yield to the distinguished Senator from New York, [Mr. MOYNIHAN].

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, once again, to state that on both sides of the aisle we worked so hard through 1990 and 1991 to change our transportation policy. We wrote flexibility into the statute which had previously been a pour more concrete program.

My friend, the Senator from Florida, hopes that a Senator will appear to support him, and I have no doubt one will. But to this point every Senator who has risen, save for a question from the Senator from Alaska, has risen to say, "Don't disrupt a major achievement of the 102d Congress."

The time will come to debate it when the reauthorization comes. We will have time for that. But not this moment. Do not sink the President's pro-

gram that the President pro tempore is putting through in these last hours before a long Easter recess when the Nation needs it, is ready for it, and we are ready. I can say no more, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS addressed the Chair.

Mr. BYRD. How much time do I have remaining?

The PRESIDING OFFICER. You have 1 minutes and 24 seconds.

Mr. BAUCUS. Might I have half a minute?

Mr. BYRD. I yield to the Senator the 1 minute.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I would like to ask the distinguished Senator from Florida a question, if I might. The question is this: When we in the Environment and Public Works Committee just a few days ago drafted a letter to send to the Budget Committee and the Appropriations Committee giving our comments on the supplemental, did the Senator from Florida not very strongly request that that letter contain language that there be no authorization on an appropriations bill? Did the Senator not ask that a statement to that effect be included in the letter from EPW?

Mr. GRAHAM. I am not aware the Senator requested it. If I did, clearly it was not adhered to because there is clearly all kinds of authorization in this appropriations bill already. I will cite as one example—I was going cite it in my concluding remarks—the 90-day ready-to-go rule. That is language of an authorization nature which is in the bill that requires that if States are not ready to go within 90 days of the availability of these funds, they will lose the funds and they will lapse back into a pool for redistribution. So there already is authorization language on this bill.

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

Mr. GRAHAM. That is why I think it enhances the importance of the amendment. I am about to conclude my remarks.

Mr. BAUCUS. Mr. President, I just want to close by saying——

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

Mr. BAUCUS. I thank the Chair.

Mr. BYRD. Mr. President, I yield the Senator 24 seconds so he can complete his sentence.

Mr. GRAHAM. Mr. President, I will yield the Senator—how much time does he need?

Mr. BAUCUS. I will just take half a minute.

Mr. GRAHAM. I yield the Senator 2 minutes of my time.

The PRESIDING OFFICER. The Senator from Montana is recognized for 2 minutes.

Mr. BAUCUS. I thank the Senator from Florida. Mr. President, very simply, the Senator's office requested that office include language in the March 15 budget views and estimates letter to the Budget Committee, that there be no—a very firm request—that there be no authorizations on the appropriations bill. His office, at least, requested—maybe the Senator is not aware of what his office requested, but his office did request—very strongly that the letter be drafted in a way so there would be no authorizations on an appropriations bill.

But the main point, Mr. President, is that of the President pro tempore, the chairman of the Appropriations Committee; namely, we are here to work on a supplemental bill, a stimulus package. We are not here to draft and debate authorizing legislation. That is not our purpose here today. There is a time and place for everything.

Ecclesiastes refers to—I do not have the exact Scriptures quote, but the point is there is a time and place for everything. This is not the time, this is not the place to debate an authorizing bill. The time and place to debate an authorizing bill is when that legislation is up for reauthorization in 1997. There will be many opportunities at that time to debate this issue. Now is not the time to do so.

The PRESIDING OFFICER. Who yields time? The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I have a slightly different interpretation of why we are here today. I do not think we are here to debate an appropriations bill or to talk about what happened in previous consideration of legislation. I think we are here to discharge a very difficult task. That task, as I define it, is how do we justify to our grandchildren that we are about to add $32 billion to the debt of this Nation that they will have to pay for? That we do not consider it to be sufficiently important that we are going to pay for it today either by additional taxes or by reductions in spending elsewhere.

I think that is the challenge that we have. It is an ethical challenge. It is a challenge that asks the question of why, in one sitting of this Congress and these few days, we are going to add as much to the national debt as occurred between the years 1776 and the year of my birth in 1936.

What is the basis of that? I can only find one justification, and that is we are going to enact policies which will meet these conditions: They will so stimulate the economy by an infusion of immediate economic activity and the jobs that that activity will create; that it will create a higher level of economic output and, therefore, contribute to our long-term ability to restrain annual deficits and begin to reach the day where we will not be adding to the national debt.

And second, that after we have done so, that we will have something to show for it; that that infusion of immediate money and immediate employment will produce a product that will contribute to the long-term economic well-being of the Nation. That is why we are here, to meet that moral test.

I submit that one of the strongest arguments for an economic stimulus is in the area of transportation. I know that transportation does have the capability of putting a lot of people to work. With maintenance projects, for instance, Mr. President, in my State and most States, for every billion dollars of expenditure, you can count 40,000 or more jobs.

Those are not just part-time, makework jobs. Those are 40,000 annualized jobs, a very significant contribution. Also, I think an improved transportation system helps make the Nation's economy stronger on a long-term basis.

In that context of basically supporting the idea of accelerated transportation funding, why am I suggesting this amendment? Because I consider this amendment to be critical to the ability to accomplish the purpose of putting this money to good use. I am not here to redebate the Surface Transportation Act. I am just suggesting that there are changed circumstances for this special time that warrant the limited treatment that I am suggesting.

What are some of those changed circumstances? We are making this appropriation in the middle of a fiscal year. States have 6 months more or less—less than 6 months after April 1—in order to put this money to useful work. We want them to do so. We ought to facilitate, not inhibit, their ability to do so.

Second, to scale the increase, as the Senator from New Jersey well knows, in fiscal year 1990, the total amount of outlays under the highway portion of transportation was $14.07 billion. In 1991, that went up to $14.33 billion. In 1992, it went up to $15.18 billion, and in the current year's appropriations bill it is at $15.33 billion.

Now, let me point out to the——

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

Mr. GRAHAM. No. I want to finish this thought.

The thought is that we are proposing to go from fiscal year 1992, where we spent $15.18 billion—if we add all the money that is in this bill, and all the additional having to be spent in the remaining weeks of this fiscal year, we will have gone in 1 year from $15.18 to $18.31 billion of spending. So the surge of spending itself creates a circumstance which in my judgment warrants giving the States additional flexibility in how to utilize those funds.

I would emphasize that we are not dealing with a penny, not a penny of

interstate money. North Carolina will not have a penny more or less than it would have had whether this amendment is adopted. It only affects the ability of the people within that State to exercise their judgment as to what projects will make the greatest contribution toward putting people to work. And it will only do that over a 2-year period. That is, if the State of North Carolina spends an additional $20 billion on bridges because the money is made available in this program, next year they are going to have to spend $20 billion less in bridges.

So that over a 2-year period, they will spend exactly the same amount on bridges but it gives them that flexibility which the Governors, which the Association of State Highway Officials, have all indicated is their highest priority in terms of being able to carry out the purpose we are attempting to accomplish.

So I say to my friend from Montana, no, we are not here to redebate the Surface Transportation Act. We are not here to talk about authorization authority. We are not here to talk about jurisdiction of committees. We are talking about putting people to work. We are going to put people to work by giving the States that have the ultimate responsibility for these programs the greatest flexibility.

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

Mr. GRAHAM. And with that I would be pleased to yield to the Senator from New Jersey.

Mr. LAUTENBERG. I would ask the Senator from Florida whether or not he feels that the minimum allocation program permits significant flexibility?

Mr. GRAHAM. The minimum allocation program does not provide as much flexibility as I think it should provide.

Mr. LAUTENBERG. It is the most flexible highway program that we have. Minimum allocation is practically unfettered.

Mr. GRAHAM. Under minimum allocation, if your State receives less than 90 percent of the money that you have put into the Federal coffers, then you will have some additional flexibility in how to spend the parcel that is distributed to you. That is a strange form of freedom.

Mr. LAUTENBERG. Does the Senator know what the minimum allocation balance is in the State of Florida as of January 31?

Mr. GRAHAM. I know this. I know that as of the current date the State has already committed or obligated to spend all of its flexible money on the National Highway System, the surface transportation, and bridges. One might ask that question of the Senator from California because her State, of course, is the most affected by the minimum allocation program.

Mr. LAUTENBERG. The State of Florida, I believe, has an outstanding balance of $264.6 million that it can spend virtually on any highway project that it wants. Based on inquiries made to the State of Florida, they did not indicate that any further flexibility is necessary. Of course the Senator, I am sure, would like to have as much flexibility as possible. But the State has not indicated that it needs it.

We are on the Senator's time, and I do not want to take advantage of it, but we are trying to make a decision about the stimulus package that has been requested by the President.

Mr. GRAHAM. Mr. President, one of the Senator's predecessors as chairman of the Transportation Subcommittee of Appropriations is our good friend and former colleague, Lawton Chiles, who is now the Governor of Florida. Let me read a section of a letter——

The PRESIDING OFFICER. All time has expired.

Mr. GRAHAM. I am going to ask the Senator from New Jersey to read the letter because it is now in the bosom of the CONGRESSIONAL RECORD and will be available to all America outlining what he feels about the necessity for this legislation.

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

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I move to table the pending amendment of the Senator from Florida and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table the amendment offered by the Senator from Florida [Mr. GRAHAM]. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 70, nays 30, as follows:

[Rollcall Vote No. 91 Leg.]

YEAS—70

Akaka	Feingold	Moynihan
Baucus	Ford	Murkowski
Biden	Glenn	Murray
Bond	Gorton	Packwood
Boren	Gregg	Pell
Bradley	Harkin	Pressler
Breaux	Heflin	Pryor
Burns	Hollings	Reid
Byrd	Inouye	Riegle
Campbell	Jeffords	Robb
Chafee	Johnston	Rockefeller
Coats	Kempthorne	Sarbanes
Cohen	Kennedy	Simon
Conrad	Kerrey	Simpson
Craig	Kerry	Smith
D'Amato	Lautenberg	Specter
Danforth	Lieberman	Stevens
Daschle	Lugar	Thurmond
DeConcini	Mathews	Wallop
Dodd	McConnell	Warner
Dole	Metzenbaum	Wellstone
Dorgan	Mikulski	Wofford
Durenberger	Mitchell	
Exon	Moseley-Braun	

NAYS—30

Bennett	Feinstein	Leahy
Bingaman	Graham	Levin
Boxer	Gramm	Lott
Brown	Grassley	Mack
Bryan	Hatch	McCain
Bumpers	Hatfield	Nickles
Cochran	Helms	Nunn
Coverdell	Kassebaum	Roth
Domenici	Kohl	Sasser
Faircloth	Krueger	Shelby

So the motion to table the amendment (No. 288) was agreed to.

Mr. BYRD. Madam President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER (Mrs. BOXER). The Senator from Florida is recognized.

AMENDMENT NO 289

(Purpose: To eliminate from the highway fund allocation formula certain discretionary funds granted to the States for highway programs)

Mr. GRAHAM. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself and Mr. BOND, proposes an amendment numbered 289.

Mr. GRAHAM. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . MINIMUM HIGHWAY ALLOCATION.

Section 157(a) of title 23, United States Code, is amended—

(1) in paragraph (4), by striking "(4) THEREAFTER.—In fiscal year 1992 and each fiscal year thereafter" and inserting "(4) FISCAL YEARS 1992 AND 1993.—In fiscal years 1992 and 1993"; and

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

"(5) AFTER FISCAL YEAR 1993.—

"(A) GENERAL RULE.—Subject to subparagraph (B), in fiscal year 1994 and each fiscal year thereafter on October 1, or as soon as possible thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that a State's percentage of the total apportionments in each fiscal year and allocations for the prior fiscal year for Interstate construction, Interstate maintenance, Interstate highway substitute, National Highway System, the surface transportation program, the bridge program, scenic byways, and grants for safety belts and motorcycle helmets shall not be less than 90 percent of the percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund, other than the Mass Transit Account, in the latest fiscal year for which data are available.

"(B) MINIMUM ALLOCATION.—The minimum allocation of a State under this paragraph shall not be reduced as a result of an allocation of funds to the State in the prior fiscal year for Interstate Construction, Interstate

maintenance, Interstate highway substitute, National Highway System, the surface transportation program, the bridge program, scenic byways, and grants for safety belts and motorcycle helmets.".

Mr. GRAHAM. Madam President, in discussing the previous amendments, I tried to lay the context within which I view this matter, which is that we have an obligation to see that this very substantial addition to the national debt——

Mr. BYRD. Madam President, may we have order?

The PRESIDING OFFICER. The Senate will come to order.

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

Mr. GRAHAM. Yes.

Mr. BYRD. The question is whether or not the distinguished Senator would be willing to enter into a time agreement on this amendment?

Mr. GRAHAM. I say to the Senator that I would be prepared to enter into a 1-hour, equally divided, time agreement.

Mr. BYRD. Could we agree to a shorter time limit on this amendment?

Mr. GRAHAM. Madam President, I have several people who have indicated they wish to speak on behalf of this amendment. I do not think we can do it in less than 30 minutes.

Mr. BYRD. I ask unanimous consent—if the Senator will yield to me for that purpose—that the time on this amendment be limited to 1 hour to be equally divided and controlled in accordance with the usual form; that there be no second-degree or intervening amendments.

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

Mr. BYRD. Madam President, I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Madam President, as I was saying, the context of this amendment was as it was on the previous amendment, that is the responsibility that we have to assure that this massive addition to the national debt accomplishes a purpose that makes it morally justifiable, and my sense of that moral justification is that it will contribute to a higher rate of economic growth and employment of Americans doing productive things. The purpose of this amendment is to facilitate the accomplishment of that objective.

As in the last amendment, there is some technical background required in order to put the policy issue in context.

We have had for some time a concept called minimum allocation within our highway program. Minimum allocation relates to those States whose receipts out of the highway trust fund fall below a predetermined percentage of their contributions to that trust fund. The last time the Congress considered highway legislation, we set that percentage at 90. So, if a State were to have contributed $100 million to the Federal highway fund, under minimum allocation they should get back no less than $90 million.

At the present time, there are 25 States which qualify for minimum allocation; that is, the 25 States under the normal formula distribution would have received less than 90 percent of what they paid in, and, therefore, will receive the benefits of this what we might refer to as a safety net that says you will not get less than 90 percent.

In 1987, a new provision was added to the law as it relates to minimum-allocation States, and that provision was that, if a minimum allocation State successfully competed for discretionary funds, funds that were not otherwise allocated by formula, every dollar of those discretionary funds would be subtracted from their minimum allocation account.

To use the hypothetical State again, which contributed $100 million under the formula, it would have gotten back less than 90, and, therefore, has the safety net of getting back at least 90 percent.

Let us assume that a State sees an opportunity to compete for some discretionary funds. There is no incentive to do so because every dollar that it will get in discretionary funds is a dollar that it will lose from minimum allocation, so it would end up in exactly the same place, even though it had expended a lot of effort to try to compete for discretionary funding.

What makes this issue important at the present time is that now that we are going to be fully funding the Surface Transportation Act, there is going to be a lot more discretionary money than there has been in the past. In the past, with partial funding—this year we funded the highway program at about 75 percent of its authorized level—when partially funded, the discretionary accounts were not that significant and, therefore, did not cause that much distortion in the program. But now that we are fully funding the ISTEA Program, discretionary accounts are going to be significant.

What we essentially are saying is that 25 of the 50 States, representing, I might say, 73 percent of the people of America, will effectively be unable to compete for those funds. If someone wants to make the argument as to why that is a fair system, I would give them what I think is a fairly difficult challenge to do so.

Now that we are moving into a new era of fully funding the Surface Transportation Act, I think that it is important and appropriate, to accomplish the purpose of accelerating construction on important highway projects and seeing that the maximum number of people are put to work, that we eliminate this what I think is most charitably described as an anachronism.

Now, I am concerned, Madam President, and maybe in the debate we can have some further discussion about this, that this problem may be exacerbated by what we have just done. What we have just done is defeat an amendment that would have allowed States some flexibility in moving their money from account to account over the 1993 fiscal year. The consequence of that is going to be that more States will be unable to meet the so-called ready-to-go-in-90-days rule that is part of this act. That rule says that if a State is not ready to move forward to obligate funds within 90 days after they become available in fiscal year 1993, they lose those funds. They go into a common pool and are redistributed to those States that can still make use of those funds.

What concerns me is that if that pooling is described as discretionary funds and if the minimum-allocation States effectively are precluded from competing for that pool of discretionary funds created by the 90-day rule, we are going to have even further distortions, even further inability to accomplish the purpose of highway projects that will contribute to our long-term economic well-being while putting people to work immediately. And this is going to be a disadvantage that will apply to 25 States that represent 73 percent of the population of the Nation and, therefore, assumedly roughly 73 percent of the opportunities to put people to work.

So, Madam President, my amendment is very straightforward and simple. It repeals that provision which says that minimum-allocation States have their minimum allocation allotments reduced dollar for dollar for any successful competition in which they engage for discretionary funds. It says everybody can compete for discretionary funds. If you are good enough, if your project is worthy enough, if you are ready enough, your State will get the money, and you will suffer a deduction in your minimum allocation. The current law frankly says that only 25 States can compete, and those 25 States represent less than 30 percent of the people of the Nation. It also effectively says that we will not have the kind of meritorious allocation of discretionary funds that allowing all 50 States to compete would make available.

So, Madam President, this provision, as I say, came into the law in 1987. We did not have it before 1987. All States were allowed to exercise their creativity in order to get discretionary funds. We will return to the period before 1987, particularly as we are entering an era of fuller funding of our transportation and highway programs and a greater amount of funds that will be available for allocation on a discretionary, competitive basis.

Madam President, I yield the floor.

Mr. BYRD. Madam President, I yield to the distinguished Senator from Montana, the control of 25 minutes of the 30 minutes that I control, reserving to myself only 5 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized for 5 minutes.

Mr. BAUCUS. Madam President, I thank the President pro tempore.

Madam President, if the last amendment by the Senator from Florida was to be rejected because it was an inappropriate authorization bill, this amendment should be rejected by an even larger margin because this amendment is much more egregious even than the last amendment. I say that because this amendment strikes at the heart of the surface transportation bill that this Congress passed just 15 months ago.

This amendment addresses the most contentious issue that we in the Senate have to face when we try to pass any surface transportation bill. That is the allocation of dollars among States.

If any issue was debated fully, completely, and with passion and with anguish, it is the issue of funding formulas. We debated this issue fully and we reached the conclusions on the floor of the Senate as to what that formula should be.

In effect, Madam President, we also reached a conclusion very much in the favor of States like Florida and other donor States. ISTEA raised the minimum allocation from 85 to 90 percent. We moved significantly in the direction sought by the Senator from Florida.

Madam President, there is a reason for minimum allocation, and there is a reason for hold harmless. States in our country are not identical. States are different, with different populations, different growth rates, different industrial bases, different economic bases. They are all different. We are all different.

Madam President, your State, the State of California, is the second largest with regard to land area and the largest in terms of gross State product. The Presiding Officer represents a State that is the largest in the Nation in terms of economic size and growth.

My State of Montana is much smaller. We are just behind California in geography, but we are far behind California in terms of the size of the economy and population. California's population must be in the neighborhood of 25 to 30 million people. The population of the State of Montana is less than 1 million. It is only 800,000.

Florida is different. Rhode Island is different. Each State is different. So it is very difficult to put together a formula. It is very difficult.

It is very difficult to put together a funding formula to distribute highway dollars among all 50 States. It is extremely difficult. States like Montana, very thinly populated, very large in geographic area, are supported by a hold harmless provision. States like Montana do not have the economic base to build those massive stretches of interstate highways across our State. We are unable to do so. We do not have the economic base to do so.

Very large States, particularly high-growth States like the States of California and Florida—they tend to be Sunbelt States—those are the States that contribute, it is true, more dollars to the highway program than they receive and that is mainly because they are more densely populated.

It is only fair for Senators from those States to say, "There should be some type of minimum allocation. We should get back more than what the formula otherwise would provide because the formula provides for less than 100 percent." The formula should provide as close as possible to 100 percent. And we addressed that question, Madam President, in the last surface transportation bill. ISTEA raises the minimum allocation from 85 percent to 90 percent.

In addition, here we are today to pass a supplemental bill, a stimulus bill which will fully fund the ISTEA. States are receiving many more dollars under the ISTEA, which Congress passed 15 months ago, than they received under the prior Surface Transportation Act. They are getting additional dollars for highways, for roads, for bridges, and for traffic congestion, for air pollution, and so forth.

This amendment is a little bit curious because it was not long ago, on last year's transportation appropriations bill, that the so-called donor States stood on the floor of this Chamber vehemently opposing the transportation appropriations bill because it would have placed the minimum allocation under the obligation ceilings. They were vehemently opposed to that.

What was their argument? Their argument was, "A deal is a deal. We reached an agreement. It is highly inappropriate to undermine an agreement we reached." That was their argument then. Madam President, that should be their argument now. Nothing has changed, nothing is different.

That is the argument I make. An agreement is an agreement; a deal is a deal. It is highly inappropriate for the U.S. Senate now, on an appropriations bill, on the supplemental appropriations bill, to attempt to authorize—that is bad enough—but to attempt to authorize a reallocation of the highway bill. That is astounding. It is almost inconceivable here at this hour as we attempt to pass a supplemental appropriations bill.

There is a time and place for everything. There is a time and there is a place for everything. Now is not the time. Now is not the place to open up, redebate, ISTEA. The proper time, the proper place to open up and redebate the Surface Transportation Act is when that act comes up for reauthorization. But it is certainly not this time.

I am just astounded that the Senator from Florida would, on this bill, attempt to reopen and strike at the heart, of ISTEA.

A deal is a deal. An agreement is an agreement. This body cannot, this body should not—at the whim of the moment—go back and reauthorize, redebate any major legislation that happens to come into the mind of a Senator at that point. That is chaos. It is anarchy.

If tonight we are going to redebate ISTEA, we might as well be debating every other matter that comes before this Senate at any other time. We might as well be debating the tax bill right now. Let us bring up the tax bill tonight. I have some ideas on tax legislation. Let us bring up the tax bill tonight.

Health care, I have some ideas on health care. Let us bring up health care reform tonight.

Aid to the Soviet Union, I have a lot of ideas about that too. Welfare reform, why do we not bring up welfare reform tonight? The Clean Air Act, that has been up for reauthorization for a few years, the Clean Air Act. Let us offer an amendment striking at the core of the Clean Air Act.

Madam President, the point is simple, very clear, and very obvious. This is not the time and place to be debating ISTEA. It is not the time and place to address the funding formulas.

The donor States, who might be tempted to favor this amendment, got a very good deal under ISTEA.

I just conclude, Madam President, and I will reserve the remainder of my time, by saying that I urge Senators not to pass this.

I do not want to put words in the mouth of the President pro tempore, but I am sure I can guess what he is going to say when he speaks on this amendment. The chairman of the Appropriations Committee is going to say this amendment will not be accepted by the House. It forces us to go to conference with the House.

The President very much wants a stimulus bill passed as quickly as we possibly can.

This amendment, if passed by the Senate—and I do not think it will be, but if it is passed by the Senate—will be strenuously objected to by the House. We will be in a real fix if we try to go back to conference and reallocate highway funds among the States. This issue has not been debated in the authorizing committee.

It makes no sense. I understand it sounds good. It is good for the folks back home to stand up and say, "Boy, we have to do this."

But we know it is not good public policy, in the middle of the night, to

try to reopen the ISTEA funding formulas.

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

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Does the Senator from Florida yield to the Senator from California?

Mr. GRAHAM. I yield 10 minutes to the Senator from California.

Mrs. FEINSTEIN. I thank the Senator very much.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mrs. FEINSTEIN. Thank you, Madam President.

I wish to thank the Senator from Florida.

I would also like to address my comments, quite respectfully, to the Senator from Montana, who has been a part of this body for a lot longer time, certainly, than I, or even you, Madam President.

But one of the things I find, a newcomer to this body, is that a lot of decisions are locked in.

Respectfully, I say to the Senator, there is no opportunity for us to change it. If we see our State being shortchanged by an authorization formula that has been put in place years before we got here, if we have no place on the committee that put that authorization formula in place, we have not a chance of changing that formula.

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

Mrs. FEINSTEIN. Yes, I certainly will.

I am happy to be enlightened.

Mr. BAUCUS. I appreciate the points made by the Senator from California.

I might say to the Senator from California, when this act was brought before the floor of the Senate, both California Senators voted in favor of it.

Mrs. FEINSTEIN. Well, maybe that is the reason why one of them is not here today, and I was able to defeat him.

You know, we are elected to this body to fight for our State.

It would be different, Madam President, as you and I both know, if California were not in trouble.

But I know earlier there was another amendment. It had to do with the growth States receipt of chapter I funds for poor children for education. And we both saw where California was disadvantaged by the formula.

Now, as Senator GRAHAM, I think, has very eloquently stated, you see another instance where a growth State is disadvantaged by the formula.

I found out about this because the California State Department of Transportation called this Senator and said, "Vote for Senator GRAHAM's amendment. Help California."

The fact of the matter is, it may not be the appropriate time, but it is the only time that we have to make a change.

As I watch Senate business being done, as a newcomer from a large State, and intensely feel that my State is not being fairly treated, is being disadvantaged, I can speak out.

You know, I say to the Senator, I was fascinated by the rules. A week ago, a wonderful woman from the Congressional Research Service came over to my home and went through some of the Senate rules.

She depicted the Senate as a large wheel on a bicycle. When all the spokes—the 100 spokes—work together, the wheel turns and the Senate moves. But if one of those spokes went out of joint, the wheel was stopped.

I think, increasingly, some of us from the large States, who really feel and believe in our depths and in our hearts that we are disadvantaged, have to begin to step forward and take some of those bold steps to correct some of the inequities of our predecessors.

It is very difficult for a freshman, no matter how large the State, to change a formula that a group of States have gotten together on prior to your being here.

The only avenue we really have is the floor of this House, and the ability to step forward and say, "In this formula, a wrong is being done. It is not fair."

I recognize there is a time to love and there is a time to hate. There is a time to make war and a time to make peace. There also is a time to be fair in the formula allocation.

Neither the Senator from Florida, nor, I believe, the two Senators from the great State of California believe that this is a fair formula.

Notwithstanding that, there are 25 other States to whom this formula is not fair. As a matter of fact, I am surprised they are not here speaking now for their State.

Now, I say to the Senator, if I really believed I could go to the authorizing committee and get a change tomorrow in the formula so that California, as a donor State, was fairly treated—as a State that had an earthquake and had a freeway come down and 40 cars were crushed to 6 inches—I would take that avenue. I do not believe I would be effective.

I believe that the best chance is to begin to do this more and more and more on the floor of the Senate until somewhere in the Senate's consciousness there is going to be an idea, and that idea is that dollars should follow poor children, that highways funds should be allocated so that they are fair, and that those who contribute should fairly reflect the percentage of their contribution.

And so, Madam President, on behalf of the State—and I believe you share these sentiments—I am prepared to vote with the Senator from Florida and, in a way, establish a beachhead, if you will, for some fairness, hopefully, in the future with respect to the formula allocation in this transportation measure.

Mr. CHAFFEE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Does the Senator from Montana yield to the Senator from Rhode Island?

Mr. BAUCUS. Madam President, I yield 8 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator is recognized for 8 minutes.

Mr. CHAFEE. Madam President, we could not have gotten into a more complicated subject than the allocation formula. If you think agriculture subsidies and price controls and all that goes with the Agriculture Department are arcane and impossible to understand, it does not rival the formulas dealing with the transportation money.

Let me just say that the Senator from Florida, it seems to me, could not have brought up a more inappropriate subject than changing this formula at 6:30 on a Wednesday evening.

I would point out that the distinguished Senator from Florida is a member of the Environment and Public Works Committee. As such, he could have easily presented legislation to this effect. He could have brought it up for consideration—he is from the majority party—have a hearing on it, burrow into it and debate it in the committee, and have it carefully thought out.

But that was not done. And so, out of the blue, we have this formula change presented to us on a bill that has nothing to do with this legislation.

Let me give a little bit of history. In 1982, Senator Bentsen was upset that his State and many other States were donor States. These States put more into the highway trust fund than they got out of it. And so Senator Bentsen proposed and had enacted what they call the minimum allocation. No matter what the formulas worked out to be, no State would get less than 85 percent. So you had your basic formula. That might well determine that when all was said and done, the number of miles driven, highways, mileage, and so forth, that the State of California would only get back perhaps, let us say, 60 percent of what it put into the highway trust fund through its gasoline tax and other excise taxes.

The Bentsen formula said that you took what California was going to get, that 60 percent, and you added to it enough money to make it 85 percent. That amount was going to bring some form of equity.

You might say, under an ideal system, every State would get back 100 percent of what it put in. If that is true, then let us not have a national highway system and let us not have a highway trust fund. The idea of the national system and the Federal highway

program was to get good roads throughout our Nation. In some instances, some States would contribute more than they got back, and some States would contribute less than they got back. But nonetheless, for the good of the country, it was determined that you wanted to be able to drive from California up through Oregon and Washington and over to Idaho and be able to get across the country on decent roads.

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

Mr. CHAFEE. I must say it is on my time, so I hope the question is not too long.

Mr. GRAHAM. The question will be short. Does the Senator from Rhode Island understand this amendment does not go to the fund distributed by formula——

Mr. CHAFEE. Oh, I appreciate that. I appreciate that.

Mr. GRAHAM. The Senator understands, this only relates to the so-called discretionary funds for which States are expected to be entitled to compete?

Mr. CHAFEE. I appreciate that.

Mr. GRAHAM. Now, would the Senator please focus on the issue of what is the fairness of saying that 25 States that represent 73 percent of the people in America should not be allowed to compete for discretionary highway funds?

Mr. CHAFEE. Let me just finish this, if I might.

So then in 1991, when we did the Surface Transportation Act, we made changes and said that the so-called minimum allocation would go up to 90 percent. The Bentsen formula was 85 percent; this went up to 90 percent.

Furthermore, it was provided that some of the dollars that came in—and here is the point of the Senator from Florida—some of the dollars came in through discretionary grants. What is a discretionary grant? Well, a scenic byway grant is a discretionary grant. If you enact safety belt laws and motorcycle helmet laws, you get additional money. That is discretionary money.

What we said was that all that came in counted for the base and all the dollars also counted toward figuring what the 90 percent is.

What the Senator from Florida wants is that all the dollars count for the base that come in from the discretionary funds, but those dollars do not count when you figure toward what the 90 percent is.

That is a bit of legerdemain I personally cannot follow. I do not understand his rationale. I will also say something that the Senator well remembers coming from a big State, as do the two Senators from California who are present tonight. When this came up, your predecessors battled just as hard for your States as you are doing now. And so a compromise was reached, a fragile compromise, but nonetheless a compromise that has endured since 1991. It is written in the act. It did not send everybody away totally satisfied, but it was a deal that had to be arrived at in order to get the legislation passed. Everybody had to give something.

Let me just point out something that perhaps the Senator from Florida has not stressed. What were some of the things that those big States, if you would—Texas, California, and Florida—received? They received the following: They received a commitment written into law that the additional amount, the amount above the formula to pull them up to 90 percent, would be protected from any budget constraints or cuts. This is extraordinary. When the amount of money authorized was not appropriated in 1992, you nonetheless got your money, 100 percent of it, to pull you up to that difference between what you would have gotten under the formula and what you got under this 90 percent so-called minimum allocation.

That is something you got. That was a bonus, if you would——

The PRESIDING OFFICER. The Senator's 8 minutes is up.

Mr. CHAFEE. May I have 2 minutes?

Mr. BAUCUS. I yield 2 minutes

The PRESIDING OFFICER. The Senator from Montana yields 2 additional minutes.

Mr. CHAFEE. Madam President, so that was a sweetener in order to make it more attractive for all parties involved, particularly the so-called donor States.

So you can see, this formula is complicated and there are a lot of factors involved. But to come now and try to change this carefully worked out formula breaks the agreement. You never have any kind of a formula, as the Presiding Officer knows from her experience in Congress whether it is welfare or whether it is highway distributions or whether it is the Environmental Protection Agency distribution of funds under the Clean Water Act that is not contentious. No matter what formula there is, it is fought out tooth and nail and then finally you arrive at a solution. And that arrival at a solution affects everything else in the bill. You would not have had a surface transportation bill unless we had agreed on a formula.

Now we are trying to change the cards that were dealt. I think it is inappropriate. This has nothing to do with the small State allocation, so it does not affect me one way or the other. But I do believe it is unfortunate to come before this Senate late at night and try to change a formula without everybody having their chance to be heard. Oh, I am sure there will be charts presented, as there always are, at the desk when we vote, of who wins, who loses. Most people go in and just look. They do not care about the substance of the bill, just do I win or do I lose?

I think that is regrettable that we have gotten into this amendment at this time. I wish the Senator would bring it up in the committee, let us have hearings, and if need be, fight it out once again. This is not the forum to do it.

I thank the Chair.

Mr. GRAHAM. Madam President, will the Senator yield on the time of the Senator from Florida?

Mr. CHAFEE. Yes.

Mr. GRAHAM. One of the areas of authorizing language which is in this bill appears on page 50, beginning at line 18. It is the so-called 90-day rule which essentially says that if after 90 days of distribution of this fund, a State has not obligated and received bids for projects for the increased amount, that those funds are drawn back and will be pooled and redistributed to the States that are able to participate, to utilize those funds for projects.

Would you consider the funds that will be pooled under the 90-day rule discretionary?

Mr. CHAFEE. If I could just check 1 minute. I am not sure of the document you are referring to.

Mr. GRAHAM. I am referring to the legislation we have before us, H.R. 1335.

Mr. CHAFEE. You referred to a certain page.

Mr. GRAHAM. Page 50, line 18.

Mr. CHAFEE. I will look into that. Why do you not proceed with the other questions if you want? You and I can continue this.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Madam President, the world is not frozen in place. Yes, in 1991, we passed a Surface Transportation Act which set out a basic framework of the Federal relationship with the States and local communities as it relates to transportation. It is not my intent, either in the amendment that was offered earlier or this amendment, to alter that basic relationship. I am not attacking a deal is a deal is a deal.

But we have changed circumstances. We have changed circumstances because we are saying that this highway money in this bill, unlike the highway money that we voted last year, the year before that is going to be added directly to the Federal debt. We do not have to meet any budget constraints. We do not have to find any offsetting expenditures. We do not have to raise the taxes to pay for this. So this is a different situation I think requiring different standards of appropriateness.

No. 2, the issue here is a very simple one. It is not an arcane question analogous to the Federal Government's program for a particular agricultural crop. It is a simple proposition of should a State, which is already receiving only 90 percent of the money that it sends

into the Federal highway trust fund, should a State that is in that condition be also precluded from the opportunity to participate and compete for discretionary funds, funds for which no State has a predetermined entitlement?

The Senator from Rhode Island talked about these discretionary funds as if they were just sort of a little froufrou project on the side of the road. I can tell the Senator from Rhode Island that most of the interstate system in Florida along the southwest coast from Tampa to Fort Myers was built by effectively competing for discretionary funds. That was before 1987 when for the first time States like mine were precluded for competing for discretionary funds. These are not just affectations. They are significant parts of the core of a State's transportation effort.

The issue is by what standard should a State, which is already only getting back 90 cents on a dollar that it sends, be precluded from even having the opportunity to compete for those discretionary funds, while the other 25 States, which by definition means they got back more than 90 cents on the dollar—in fact, some got back $2 for every $1 they sent to Washington—those States are allowed to compete for the discretionary funds?

Would somebody explain what the fundamental fairness of that is?

Now, what are some other changed circumstances? The discretionary fund pot has been a relatively meager one in the last several years as we have been systematically underfunding transportation. Now that we are going to full funding of transportation, Madam President, the discretionary pot is going to be a big one. And so what will be denied to those 25 States to compete for is now going to be a very significant amount of the Federal funds, funds to which those States all contributed. Their taxpayers paid to create that discretionary fund, but they are going to be told, no, it is off limits for you to try to compete.

Second, within this very bill itself—and I await the judgment of the Senator from Rhode Island, and the Senator from Montana, if he would like to comment, but as I read this language, under the 90-day rule, which essentially says if a State is unable to commit the additional funds that are going to come under this economic stimulus program within 90 days, that it loses those funds and they go back into a pool for redistribution, that sounds like discretionary funds to me, and that you are going to have States competing for that discretionary pool. Well, at least you are going to have the 25 States that represent roughly 27 percent of the population competing, but the 25 States that represent 73 percent of the population are going to be frozen out.

Now, the circumstances have fundamentally changed, and I believe that if we are going to achieve the purpose of getting this money out as expeditiously as possible and put people to work doing good, important projects, now is the time to repeal this provision which serves no legitimate purpose, which discourages intelligent, meritorious expenditure of highway funds, and which creates a significant and, because of provisions in this act itself, an increasing degree of unfairness in our highway program.

Mr. CHAFEE. I would like to reply, if I might, Madam President, to the inquiry which was directed at me.

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

Mr. GRAHAM. I yield to the Senator 2 minutes.

Mr. CHAFEE. On page 50, line 18, the question was were the funds there referred to considered discretionary funds. I have turned to the experts available, and they tell me that the funds that are referred to in this particular section are not considered discretionary funds.

The Senator from Florida was deploring the fact——

Mr. GRAHAM. This is a very important point. We are talking about hundreds of millions of dollars in this pored over account, Madam President. If any Senator wishes to enter into the record a contrary opinion to that just expressed by the Senator from Rhode Island, I urge them to do so because we are, I hope, contributing to the legislative record on this provision, and this is of great importance to the effectiveness with which this act is going to be implemented and the fundamental fairness with which it is going to be executed among the States.

Mr. CHAFEE. If I might continue, Madam President, I reply to the Senator from Florida that I think both of us are dependent upon outside expertise in the translation of what all these sections mean. This particular section, I am informed, because it refers to "obligation limitation," is not considered discretionary funds. That is the first point.

But the second point I would like to just briefly touch on, I do not think the Senator from Florida is quite describing the situation accurately when he says that Florida cannot compete for these discretionary funds that are out there.

All States can compete for all discretionary funds. They can do that. And it is after that, when all is finished, that the so-called minimum allocation is computed.

I believe my 2 minutes are up.

The PRESIDING OFFICER. The Senator is correct. His 2 minutes are up.

Mr. CHAFEE. I see a stern look from the Presiding Officer.

One more minute, if I might.

Mr. BYRD. Madam President, I yield 1 minute to the Senator.

The PRESIDING OFFICER. The Senator from West Virginia yields an additional minute to the Senator from Rhode Island.

Mr. CHAFEE. The point I am making, Madam President, is that the discretionary funds are out there to be competed for. All States can compete. It is only after it is said and done that the computation of the minimum allocation takes place.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Madam President, just to restate what the Senator from Rhode Island said, that is, yes, all States can compete for discretionary funds. But if you happen to be one of the 25 States that are under the so-called minimum allocation distribution, every dollar that you successfully receive by that competition is a dollar that is subtracted from your minimum allocation account.

So there is no benefit, no incentive—and in fact very little effort. Why should there be—for those 25 States to compete. Actually, 2 of the 25 States did compete for discretionary funds. They were the State of our new Senator, Senator MOSELEY-BRAUN. Illinois competed and Oregon competed. The consequence was that they did not get any minimum allocation. Every dollar that they received in discretionary funds resulted in a subtract to the point that they received zero funds under minimum allocation.

That is the consequence of the formula that we have now, which I think becomes particularly pernicious when what we are trying to do is to encourage States to accelerate their activities, to be more competitive, to be more aggressive, get projects going, get people to work, get the economy moving. We are saying to 25 States with 73 percent of the people: This is not for you.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Madam President, I yield 2 minutes to the distinguished Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank my colleague. I thank the Chair.

As I understand it, the Senator from Florida says that he has $180 million worth of earmarked projects, authorized in ISTEA, that he now does not want to count. Is that a fair assumption? There were earmarked demonstration projects, for the Senator's benefit, in the ISTEA legislation that was passed.

Mr. GRAHAM. If the Senator will yield, if that was a question——

Mr. LAUTENBERG. I will not use my time to give the Senator the floor.

Mr. GRAHAM. I am only talking about the ability of minimum-allocation States to compete for discretionary funds.

Mr. LAUTENBERG. I ask the Parliamentarian to time the Senator's speech and credit his account, please.

The Senator is asking us not to count the roughly $179 million that he got in demonstration projects.

I will respond also to a comment that I heard from the Senator from California. I remind the Senator from California that there was a very distinguished U.S. Senator who worked very hard on behalf of California and made sure that demonstration projects, were generously allocated to the State of California.

We are not taking away anything from anybody. This is no time to try to change the law. If changes are needed, the law ought to be changed after debate, serious discussion, review, and hearings. To try to do this kind of shot-in-the-dark change is unfair to the process and is not going to serve anything except delay it. We will have another vote. I predict that the vote will be similar to the one that the Senator just lost by virtue of a tabling motion. What we have done is only use up time that would permit us to do more for our constituents now.

I thank my colleague from Montana. I yield the floor.

Mr. BAUCUS. How much time is remaining on both sides, Madam President?

The PRESIDING OFFICER (Ms. MOSELEY-BRAUN). The Senator from Montana has 2 minutes, the Senator from Florida has 3 minutes 45 seconds. The Senator from West Virginia has 5 minutes.

Mr. BAUCUS. I thank the Chair.

Madam President, very much to the point here, there is a reason why rule XVI of the rules of the U.S. Senate prohibit authorizations on appropriations bills. And that is because generally authorizations are more fully debated in the authorizing committee. And when those bills come before the Senate, it is more likely, although not guaranteed, that the Senate will reach a reasoned result. The Senate will have the information and time to debate the issues.

In this context, when a major authorizing amendment is brought up on the floor of the U.S. Senate which attempts to open and break apart ISTEA obviously it does not have the time and does not have the benefit of all the facts.

So I say, primarily to the Senators from California, particularly Senator FEINSTEIN, from California, who is concerned about the rules of the Senate, there is a reason for the rules.

There may be an opportunity to deal with these issues when the Department of Transportation presents the national highway system to the Senate. Congress has 2 years to approve or disapprove that system. That is the time when I am sure the Senator from Florida and other Senators will debate this issue.

I must say, Madam President, there is a time and place for everything. This is not the time, this is not the place to be debating authorization legislation, particularly the surface transportation bill. I strongly urge Senators to restrain themselves and debate this issue and vote on this issue at the appropriate time, when we have the authorizing bill. This is not the time and place. I strongly urge this amendment not be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. I yield 1 minute to the Senator from Arizona.

Mr. DECONCINI. Madam President, I thank my friend from Florida. I have to take exception to my good colleague from Montana because this is the time and place. We are talking about spending several billion dollars, over $2 billion, on a highway appropriation to enhance jobs. And the amendment from the Senator from Florida only lays it equally. It only makes the playing ground equal here. That is all he is doing. He is indicating that the 46 donor States or any other States are going to get equal consideration.

Why should we debate it? It is like you are doing something wrong here because you are talking about spending a lot of money and you want the formula to be fair. Yet, we say, well we cannot do it, now is the wrong time, the wrong place. That is nonsense. This is the right time. I just hope Senators will vote for this because this is not costing anybody anything. This is a real, genuine amendment to make it fair to States who give more.

If I were on the other side, I certainly would feel strongly against it the other way. But, quite frankly, I would like to think that I would want to be fair. Those donor States ought to get at least what has come back. I thank the Chair. I thank the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Madam President, how much time remains?

The PRESIDING OFFICER. The Senator from West Virginia has 5 minutes. The sponsor has 2 minutes 19 seconds remaining.

Mr. BYRD. Does either Senator——

Mr. CHAFEE. If I could have a minute and a half?

Mr. BYRD. I yield 2 minutes to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I make this point, if I might. If you just went by the formula, like it or not, the formula would result in Florida getting 70 percent back of what it put in, or 70 cents for every dollar. That was the way the situation existed. Back in those days, Florida could indeed apply for the discretionary funds and get all they wanted. But then that did not work out very well because the amount of discretionary funds was relatively modest. So then we provided first in 1982 that each State received at least 85 percent of the program, regardless of what the formula shows. Then in 1991 we boosted it to 90 percent, no matter what the formula shows. And I do not know what Arizona's formula shows, but Arizona might well be getting 70 cents back for every dollar if you follow the formula. But forget the formula. The State is going to get back 90 cents for every dollar.

Now some States want to change that and get some more. That is human nature. I cannot blame them. But the whole purpose of the minimum allocation is to make sure everyone gets at least 90 percent. That was the agreement that was reached through a lot of give and take with some of these points that I previously made. No matter what cuts are made, donor States still get that amount between the basic formula and what is needed to guarantee them the 90 percent minimum allocation.

Thank you, Madam President.

Mr. BYRD. Madam President, "To every thing there is a season, and a time to every purpose under the heaven." The distinguished Senator from Montana has referred to Ecclesiastes.

This is not the time for this amendment. This amendment, like the previous amendment of the Senator from Florida, is a major change in ISTEA. This bill is not the place to debate minimum allocation. When ISTEA was before the Senate, as chairman of the Appropriations Committee, I found $8 billion. That is what got ISTEA off the dime here in the Senate. It was stalled. I found $8 billion and saw to it that something like $4 billion went to the minimum-allocation States. I did that. And that got the bill out of here.

Madam President, if adopted, this amendment would clearly cause this emergency jobs bill to have to go to conference with the House. I do not want to go to conference if we can possibly avoid it. This would be a cantankerous conference. These are complex matters, and it would draw out the conference. Then we would have to bring back the conference reports to both Houses.

I believe up to now, and if we can continue as up to now, there is no amendment that I believe will cause a conference, and if we can continue down that road, once we pass this bill, the House, I believe, will accept the amendments that are already in the package, and the bill can go directly to the President.

What does the President say? How about the administration? In the statement of administration policy, issued on March 25, I find these words: "The administration opposes any efforts to delay passage of this critical legislation."

And that is what I am trying to avoid, is delay in the passage of this

critical legislation. This is legislation that is recommended to the Congress by this President, William Jefferson Clinton. And he says that he opposes—the administration does—any delay. If we adopt this amendment, may I say to my friend from Florida, it is going to delay this bill because we are going to have to go to conference, and we will have a rough time in conference. It will be "Katie bar the door." These House Members do not want this to come up in conference.

So I urge Senators to vote to table this amendment. This is not the time and not the place for this amendment.

Madam President, how much time do I have left?

The PRESIDING OFFICER. There are 15 seconds remaining.

Mr. BYRD. I will save those 15 seconds to move to table at the proper time.

Mr. GRAHAM. Madam President, a lot of discussion has focused on where we are on the calendar, when is it time. I believe that we are not going to be evaluated on the economic stimulus program in March or April. We are going to be evaluated on the economic stimulus program in October or November. Somebody is going to ask the question: What happened to all those dollars that were appropriated that were intended to put people to work doing useful projects?

I believe that there are a number of inhibitions that are going to result in that not being a very positive report card. Is it not going to be silly when we find out that States were unable to utilize their highway funds because of the application of laws that say you can only spend so much in this fiscal year on bridges, although you could have spent more on interstate maintenance, but you did not have any interstate maintenance to do? I think we are going to look rather foolish.

Are we not going to look foolish if there is a big pool of discretionary funds that could be converted into worthwhile projects which lie fallow because half of the States, with 73 percent of the population, cannot compete for those funds? I think we are not going to get a very good report card in the fall when that occurs.

Madam President, this is not an amendment that goes to the heart and core of the structure of the Surface Transportation Act. This deals with a specific area of, I think, blatant unfairness, and that is that those half of the States, including the State of the distinguished Presiding Officer, are precluded from competing effectively for discretionary funds.

We are about to pass a bill that is going to substantially increase the pool of discretionary funds. Certainly, it will be increased by the fact that the level of appropriations will be significantly higher, and I think there is an arguable case that they will be increased because of the application of the 90-day rule.

Madam President, I think this is the time to adopt this amendment, eliminate this unfairness, and let the money flow. Let us put people to work and let us get projects underway in all of the 50 States of America.

Mr. BYRD. Has all time expired, Madam President?

The PRESIDING OFFICER. It has.

Mr. BYRD. There is time to move to table, and I do so move, and I ask for the yes 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 clerk will call the roll.

The bill clerk called the roll.

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

The result was announced—yeas 68, nays 32, as follows:

[Rollcall Vote No. 92 Leg.]

YEAS—68

Akaka	Durenberger	Mikulski
Baucus	Exon	Mitchell
Bennett	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Gorton	Murkowski
Bradley	Grassley	Murray
Breaux	Gregg	Pell
Brown	Harkin	Pressler
Bryan	Hatch	Pryor
Bumpers	Hollings	Reid
Burns	Inouye	Rockefeller
Byrd	Jeffords	Roth
Campbell	Johnston	Sarbanes
Chafee	Kassebaum	Sasser
Cohen	Kempthorne	Simon
Conrad	Kennedy	Simpson
Craig	Kerrey	Smith
D'Amato	Kerry	Specter
Daschle	Lautenberg	Stevens
Dodd	Leahy	Wallop
Dole	Lieberman	Wellstone
Domenici	Mathews	Wofford
Dorgan	Metzenbaum	

NAYS—32

Bond	Graham	McCain
Boren	Gramm	McConnell
Boxer	Hatfield	Nickles
Coats	Heflin	Nunn
Cochran	Helms	Packwood
Coverdell	Kohl	Riegle
Danforth	Krueger	Robb
DeConcini	Levin	Shelby
Faircloth	Lott	Thurmond
Feingold	Lugar	Warner
Feinstein	Mack	

So the motion to lay on the table the amendment (No. 289) was agreed to.

Mr. MITCHELL. Madam President, I move to reconsider the vote by which the motion was agreed to.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Madam President, I understand the distinguished Senator from Missouri [Mr. DANFORTH] has an amendment that he wishes to call up at this time.

I also understand that he would like to have a half-hour to a side.

Mr. DANFORTH. Yes.

Mr. BYRD. Madam President, I ask unanimous consent that there be a time limit on the Danforth amendment of 1 hour, to be equally divided and controlled in the usual form, and that there be no intervening or second-degree amendments.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Madam President, I inquire of the majority leader: The vote then would occur at about 8:35?

Mr. MITCHELL. Yes.

Mr. DOLE. So Members can be on notice that there will be a rollcall vote and it will be about 8:35?

Mr. MITCHELL. That is correct; upon the expiration of 1 hour of debate on the Danforth amendment.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 290

(Purpose: To strike the matter relating to Amtrak capital improvement grants)

Mr. DANFORTH. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 290.

Strike everything on lines 1 through 7 of page 21.

Mr. DANFORTH. Madam President, this amendment strikes from the supplemental appropriations bill $188 million for special funding for Amtrak.

Let me describe to the Senate what this $188 million consists of. It consists of $60 million to either hire or to retain employees. And the number of those employees is 491 people.

The cost for retaining 491 people, or hiring back 491 people for 1 year, is $60 million. So if you divide that out, that is $122,000 per job. So, of the $188 million of special money for Amtrak, $60 million is to hire 491 people, at a grand total of $122,000 per individual for a year.

In addition to that, there is $43 million for station improvements in various locations. It is not clear whether or not the stations could not be improved with the use of local funds. But, in any event, for the improvement of stations, we have $43 million in this emergency appropriations stimulus package.

Amtrak estimates that the station improvement program will be hiring 804 people. And that divides out to $53,000 per job for the station improvement program.

Then there is $20 million for maintenance facility improvements at Los Angeles, Boston, and Beech Grove, IN. Amtrak says that this will create 283 jobs. The cost of each job under this program for maintenance facility improvements is $71,000.

Then there is $18 million for track and right-of-way improvements, including between New York and Boston in preparation for high-speed rail service. That is at a cost of $58,000 per job, according to Amtrak.

And then there is $13 million for trucks, backhoes, commissary trailers, and other kinds of equipment. According to Amtrak, that will create 194 jobs, at $67,000 apiece.

And then there is $34.5 million to expand Amtrak's current program of buying locomotives. That is 518 jobs. The cost per job, $66,000.

Madam President, Amtrak is clearly very popular with a lot of people in the Senate. It is not that popular with riders, unfortunately.

The history of Amtrak has been a history of subsidies, and very high subsidies, indeed.

Outside the Northeast corridor—and the Northeast corridor has been profitable for Amtrak—but beyond the Northeast corridor it is a money loser. Amtrak lost 37 cents for every dollar it received in Federal subsidies outside the Northeast corridor.

Between 1960 and 1991, the taxpayers subsidized every passenger trip taken on Amtrak by the amount of $54. That amount is down a little bit now. It is down to $32 per passenger. So for everybody who chooses to ride Amtrak as opposed to, say, an airplane or an intercity bus, the taxpayer will subsidize the ride to the tune of $32.

If this provision in the supplemental appropriations bill is agreed to, the per-passenger Amtrak subsidy would go up from $32 to $40 per passenger riding Amtrak. And outside the Northeast corridor, if you exclude the Northeast corridor, which as I say is a profitable route, the subsidy per passenger after passage of this bill, if this provision is in the bill, is $77.22. That is what we are in effect paying to subsidize people who choose to ride Amtrak as opposed to an alternative mode of transportation.

How does the Amtrak subsidy compare with what has been done to Amtrak's competitors? Each Amtrak trip, as I say, since 1961, has been subsidized by, on average, $54 a trip. By comparison, people who ride intercity buses—and that has been a troubled industry—the intercity bus passenger has been subsidized through highway funds 5 cents per trip. So, the Federal subsidy for Amtrak is 54 dollars; 5 cents for somebody on an intercity bus. What right do we have, in the Government, of entering into the marketplace on the side of one of the two competitors to the tune of $54 per head out of the taxpayers' pockets?

Also, it is very interesting to note that Amtrak has now gotten beyond the railroad business and it, itself, has gotten into the bus business on the theory that Amtrak only serves something like 500 communities in the country and it wants to serve more than that. So what has it done? It has bought bus service with the taxpayers' subsidy helping it, making it possible to do it. So we are in effect subsidizing Amtrak's buses that are competing with the private buses that otherwise could be used. It really is terribly unfair.

Now we have in this emergency appropriation $18 million for track improvement and right-of-way improvement in the Northeast corridor. One of the reasons for that is to try to take the first step toward high-speed rail.

High-speed rail sounds terrific. However, it is estimated if we really want to go in that direction, the cost of high-speed rail would run between $14 and $18 million per mile to construct. Here again, rail transportation would be in direct competition with another mode of transportation, namely the airlines. As we all know, and as the President very wisely has pointed out, the airline industry is in deep trouble in our country. Airlines, a number of them, are in bankruptcy now.

So the point of this amendment is really very straighforward. It is to say that $188 million is hardly emergency spending, that the jobs that are being produced by spending this money, ranging up to $122,000 per job, really do not justify this kind of huge amount, $188 million, of additional spending.

I point out the $188 million in the supplemental appropriation greatly exceeds the annual appropriation for Amtrak. Amtrak this year, this year's budget, has $35 million for capital spending for Amtrak. So that $35 million is being increased by $188 million in this supplemental appropriations bill.

But what is really outrageous, I think, is not just throwing away another $188 million on these projects; what is really outrageous is we are weighing in, in such a heavy-handed fashion, on the side of one competing mode of intercity transportation as against other very troubled modes of intercity transportation.

Madam President, may I ask how much time I have consumed?

The PRESIDING OFFICER. The Senator has used 11 minutes.

Mr. DANFORTH. I thank the Chair. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Nebraska.

Mr. EXON. Madam President, I was designated by Senator BYRD to proceed. I yield myself 5 minutes.

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

Mr. EXON. Madam President, I listened with great interest to my great friend and colleague from the State of Missouri. Senator DANFORTH has been well established as one who has always marshaled the courage to fight Amtrak at every turn. We have discussed this matter many times on the floor and elsewhere.

I would simply say some of the figures the Senator from Missouri has used I think probably in all fairness might not be accurate. With regard to the assumption about creating the number of jobs that were created under the President's recommendation for Amtrak, it does create the jobs; but more important, it does not expend all of that money if you try and divide that out on the number of jobs this would create.

What the stimulus package is basically all about, of course, is to help the economy get moving. An important part of the President's recommendation on the Amtrak matter is to not only create the jobs, also Amtrak will be able to make significant improvements in some of their facilities around the Nation. I will only cite as an example, Madam President, after Union Station was remodeled here in Washington, DC—and I admit, at considerable expense—but after it was remodeled, Amtrak service improved by 30 percent. So one of the thoughts behind the President's proposal for Amtrak is to not only help spur the economy, but also spur the economy in the future by keeping those jobs with more ridership on the Amtrak system.

I would certainly say this Senator has not been sold, as many have begun to figure out, on the total package that has been presented by the administration that is called stimulus. I really believe, though, that this part of the President's program is one of those very worthy projects that do fit into the basic concept that the President has been pursuing, and that basically is to provide more jobs.

Madam President, I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time? The Senator from Missouri.

Mr. DANFORTH. Madam President, let me correct a previous statement. Amtrak this year has in its regular appropriations for capital spending, $165 million, which is in excess of what I previously stated by a considerable amount.

However, again I would repeat that while Amtrak has $165 million right now that has been appropriated for it for capital spending, this supplemental appropriation is $188 million. So it is still considerably in excess of the regular appropriation.

I suppose, Madam President, that for almost any way that we could conceive of spending money, many of us would say, well, that sounds good. It really sounds good. Trains are part of the history of our country. They are traditional. Some people, something like 9 percent of the population enjoys riding trains.

The question is not whether or not trains are enjoyable or even a good.

The question is how do we deal with the economy? What are we supposed to do about the economy of our country? How do we best improve the economy of the United States? Is the best way to improve the economy in an emergency appropriations to spend money on Amtrak? Does that really make sense? Or is Amtrak a luxury, and is more than doubling the capital spending in a year for Amtrak a luxury? And is spending $188 million more on Amtrak a luxury? And is spending up to $122,000 per additional job a luxury?

It is the position of this Senator that the answer to that question is, Yes. If we have a system where different governmental services truly have to compete for available dollars within a budget, in no way could we justify $188 million more in capital improvements for Amtrak. I really do not think any Member of the Senate would say with a straight face that $188 million additional for Amtrak should shove aside a lot of other things that we are doing in our country.

But the problem with this so-called stimulus package is it is not shoving anything aside. It is more spending. The theory of it is, well, let us find things to spend more money on. And what we are spending money on is to hire people at a cost of $122,000 each to work on Amtrak and to rehire some people who have been furloughed, furloughed because the work they were doing really did not justify the cost of keeping them on. To me that seems like a waste of the taxpayers' money.

This points out the underlying problem with the legislation that is before us. Sure, we like to spend money. Of course we do. Senator Hubert Humphrey used to call it the politics of joy. It is great fun to spend money. It is popular to spend money. But what if nobody rides the trains? What if the trains do not have the ridership to justify the traffic? What if the subsidy per passenger getting on the train is $40 a head? Why not just give people, if you want to subsidize them, $40 and say, pick your own mode of transportation? At least if we were to do that, it would not be hurting some innocent person, like the people who work for the airlines, people who work for the intercity buses who do not receive this kind of subsidy. At least it would not be distorting the economy, crippling some other part of the economy.

We have spent a lot of time addressing the problem of the airline industry in the United States, and we are going to spend a lot more. The President is in the process of appointing a committee to conduct just such a study. What do we do for the airline industry? It seems to me that one thing we do not do is, in effect, pay people to ride Amtrak at this tremendous subsidy.

So for those reasons, Madam President, the Senator from Missouri believes that $188 million in yet more Amtrak spending is totally unjustified; totally unjustified in economic terms, totally unjustified in the sense of what it does to competing modes of transportation.

I ask unanimous consent to have printed in the RECORD an editorial from the Kansas City Star, written March 4, 1993, entitled "Planes and Trains," which points out the competitive effect of the Amtrak subsidy on the airline industry.

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

PLANES AND TRAINS

President Clinton's economic program called for $646 million in research on high-speed passenger rail. Before taxpayers are forced to help finance a major rail program, we ought to have answers to a few questions, such as how we can afford this given our huge deficits, and how it would affect the airline industry, which is now the subject of scrutiny by a 15-person study commission.

During a recent meeting with The Star's editorial board, Vice President Al Gore said that under Clinton's plan, private industry would be encouraged to construct the rail system. The previous week, however, Clinton said the network should be paid for partly by municipal bonds, implying that to some extent taxpayers would be enrolled as involuntary investors.

Air travel is also subsidized, of course, but no one seems to be discussing the effect of a rail network on airlines, especially short-haul carriers. Obviously, intercity passenger rail would draw many passengers from airlines.

Gore contended a new rail system would not threaten carriers because the market share captured by trains would grow more slowly than the intercity travel market overall. Perhaps, but during recessions the additional competition could be devastating for weak carriers. A publicly financed rail system seems less than attractive if you factor in the possible loss of a carrier or two.

The administration's emerging airline policy contains other inconsistencies. Transportation Secretary Federico Pena says he's concerned about the prospect of market domination by the three biggest airlines.

But elements in Clinton's economic plan could hasten the result feared by his transportation secretary. In the area of airline policy, this is an administration that seems to be at war with itself.

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

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

Mr. DANFORTH. Of course.

Mr. DOMENICI. I was listening to your debate, and I had reviewed this on my own. I was having trouble figuring out how in the world this item got in an urgent supplemental appropriations bill for which we are going to waive the rules under the Budget Act and add to the deficit. Do you have any idea how this kind of expenditure got into this package?

Mr. DANFORTH. I will tell you what I think happened. I think that the idea was to try to create economic activity by spending money. It truly is an extension of the classic tax-and-spend idea of economic policy. I believe that what happened was that the administration went to Amtrak and said, "Please give us your wish list." This is the wish list. Spending $43 million for improvement of maintenance facilities must be some kind of wish list, must be something that could not conceivably withstand the normal budget process and the normal appropriations process. That is exactly what I think happened. I believe that this is simply the wish list.

How about $13 million for small non-railroad purchases, such as trucks, backhoes, commissary trailers, and other work equipment? I think what they did was to go to Amtrak and say, "Do you need any trucks? Do you need any backhoes? Do you need any commissary equipment?" And they say, "Oh, sure, of course. Money can always be spent. If you give it to us, it will burn a hole in our pocket." And I think that is essentially what happened.

Mr. DOMENICI. I thank the Senator.

Mr. DANFORTH. I reserve the remainder of my time.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I yield myself what I might need. How much time is remaining on our side?

The PRESIDING OFFICER. There are 27 minutes 11 seconds remaining.

Mr. EXON. I yield myself an additional 5 minutes. I appreciate the Chair's advising me when the 5 minutes is up.

Madam President, I am somewhat fearful that the debate on this measure has been focused on what some people, and in some cases legitimately, feel is the lack of need for any kind of a stimulus program. If that is your point of view, and I would say that is a legitimate point of view that could and should be debated and is being debated on the floor of the Senate, then that is one part of the legitimate debate.

However, to indicate that somehow this money is going to be wasted, somehow the administration clandestinely went to the Amtrak people and said, "Give us a wish list of worthless projects that you would like to blow some taxpayers' dollars on," and evidently it is being implied what is included in the President's program in this regard is exactly that, that is not true.

I see nothing wrong whatsoever with the administration being concerned about the lack of jobs being created in America today—although there is certainly some indication that the economy has turned around. We are not in a full recovery by any means. We are not in a full recovery by any historical factors that we have seen in coming out of a recession into a more robust economy.

We certainly do not go a week without some major corporation announc-

ing the additional layoffs of anywhere from 5 to 50,000 people. That is not normal if you are in a full recovery.

So, rightly or wrongly, the administration has taken the position that they wanted a stimulus package, and that is what this appropriation is all about. The administration went to Governors, they went to mayors around the country, and said we intend to try an appropriation where the money will be invested in the United States to help create jobs on an upfront basis to get the economy moving once again.

I think and hope we all anticipate that if this measure is passed, it will indeed spur the economy as the President has so hoped.

Now, no one knows what the end result of all this is going to be, but to criticize the administration for consulting with Amtrak, if that is what they did, is like criticizing the President for talking to elected mayors, talking to elected Governors, and others, to recommend to the administration, if we are going to have a stimulus package, how to help get people back to work, to cut down on the high unemployment ratio, to possibly help us in not having to extend again and again and again unemployment benefits. We want to get people to work.

It has been, unfortunately, suggested here, from listening to the debate, what sense does it make to buy some trailers, to buy some equipment. It was just referenced in the remarks by the Senator from Missouri. Oh, sure, Amtrak would like to have these things.

That is not the way this was handled. What was done, I believe, with the mayors, with the Governors, with Amtrak, and probably other entities, was simply to go to them and say if we are going to try to stimulate this economy, what would you recommend and what would you do to create jobs with the money we might be able to provide for Amtrak? Now, buying some equipment, buying some trucks, that is capital investment. Not only would that help Amtrak in the future, but it would also help in creating the jobs for the people who build the trucks, who build the equipment that Amtrak is going to buy.

Madam President, as far as subsidizing the Amtrak organization with taxpayers' money while we are not subsidizing the airline industry, I would simply say that I do not have the facts at hand. But I suggest, Madam President, that we are subsidizing the airline.

Mr. EXON. I yield myself an additional 3 minutes.

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

Mr. EXON. We are subsidizing the airline industry a great deal. Who is paying for these improvements at National and at Dulles, and to some extent, at Baltimore? Who is paying for the upkeep and the maintenance and the construction of the brand new, all-time modern airport that is going up in Denver, CO?

Mr. President, I assure you that the airlines are not paying for most of that expense. Therefore, I did not come here to criticize the airlines, because they have enough problems of their own. But I suggest that if we ever took a look at the total amount of taxpayers' dollars at the local level clear up to the national level going into the improvement of all of the airline facilities, landing facilities, and terminals across the United States, it would pale by comparison, indeed, to the subsidies we are providing for Amtrak.

Therefore, I do believe, and I think a look at the record would clearly show, that the make-jobs program to get the economy moving as far as the Amtrak organization is concerned is minuscule indeed. But I would certainly say that in the opinion of this Senator, one of the better programs involved in the President's recommendation for job stimulus and getting the economy moving again is the comparatively limited funds of the total package that are going to Amtrak.

If the President is successful in getting this done, then I would repeat what I said a few moments ago. Time and time again we have seen that where Amtrak has been able to make investments in their facilities and in their equipment, ridership has gone up. A large part of this stimulus program that the President has instituted for Amtrak will make Amtrak a more viable entity in the future.

I reserve the remainder of our time.

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

The PRESIDING OFFICER. The Senator has 10 minutes and 30 seconds.

Mr. DANFORTH. Mr. President, the Senator from Nebraska, as he always does, got right to the heart of the matter and has asked exactly the right question: What is the comparative subsidy that Amtrak is getting versus alternative modes of transportation? That is exactly the issue.

I think the Senator would agree that if the Federal Government is weighing in very heavily in favor of one competitor and against other competitors, that is grossly unfair.

Well, here are the comparative figures. For intercity bus transportation, the Federal subsidy per passenger trip is five cents. For airlines, the Federal subsidy per airline trip per passenger is $6.50. For Amtrak, it has been on the average $54 per trip since 1961. It is now $32 per trip. With this bill, if we keep this provision in the bill, it will be $40 per passenger trip. So it is $40 versus a nickel for buses and versus $6.50 for airlines.

Now, that $40 is average for Amtrak. But if you consider Amtrak transportation outside the Northeast corridor where it is profitable—if you take Amtrak beyond the Northeast corridor—the subsidy after this legislation would be $77.22 per passenger trip. That is a luxury. That is not a jobs program. That is a luxury, $77.22 per passenger outside the Northeast corridor for Amtrak if we agree to this legislation, if we agree to pump in $188 million of additional money in Amtrak just because we have kind of a warm feeling about Amtrak. And that is what it is; Amtrak is something that people feel warmly about.

They feel warmly about a lot of things. people have model trains in their basement. Children love them. It is wonderful.

But, Mr. President, it is not so wonderful to squander $188 million just because we are desperately trying to spend money in the name of stimulating the economy. The problem with the economy is not that we are understimulating the economy. The problem with the economy is the deficit. The problem is that we are spending more than we are taking in.

Even though we are going to raise taxes by $295 billion over the next 5 years as a result of what we did last week, even though we are going to have another $295 billion to do something with, that is no excuse for blowing it. It is no excuse for taking the money out of the taxpayers pockets, and blowing it on spending money on anything Amtrak can think of, commissary cars, and hiring people back at an average cost of $122,000 a head.

I think the Senator from New Mexico wanted some time.

Mr. DOMENICI. I certainly do not want to cut any time that the Senator might need. How much time does the Senator have?

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Missouri has 6 minutes remaining.

Mr. DOMENICI. I will take 3 minutes. I appreciate it.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DOMENICI. Mr. President and fellow Senators, throughout the debate on their so-called stimulus package, the other side of the aisle has been saying that every day you see announcements that major American corporations are not hiring people, or they are going to cut back on the work force. The implication is that passage of this bill, this $16 billion in new spending, is going to help that situation. I really have not heard anybody say that directly. But I think that is the implication.

Frankly, I have not heard from anyone knowledgeable about the American economy who thinks that this so-called stimulus package is going to help IBM, and they are going to lay off less people if we pass it.

It is really ironic that while we are doing this in the name of trying to help

with jobs, we are raising taxes on American corporations. Is not that interesting? We are saying to them "produce more jobs," but I really do not think that is possible.

Taxing corporations that cannot hire people because they are not making enough money will not help them hire more by enacting a stimulus package that has nothing to do with them. Raising corporate taxes, and raising the energy taxes that those companies large and small must pay will not help them stay alive. You are going to raise that issue some more, and in the meantime, say they are going to create more jobs by spending taxpayer dollars. It appears to this Senator that our colleagues are justifying a package of so-called stimulus spending that looks as if it were put together by people representing the President who went around with a hat in hand. They said put in what spending you need. Amtrak, put it in the hat. We are going to look at it because we want to spend money. They went to the mayors and said, tell us what you are going to do with CDBG money, this block grant for community development. Put it in this hat. They went to the Weather Service, and they said what do you need? They put it in the hat. They need a couple of computers. This hat is filled with those.

Then we come to the floor, and there has been a selection from all those in the hat excepting as to the block grants to the cities. We are told we are not sure at all which projects are going to be funded, but we are told not to worry about it because we now have a provision in this bill that says the OMB Director is going to see to it that those mayors do not spend it on wasteful projects.

Frankly, I believe that anyone listening to this debate will understand that somehow or another the President of the United States in preparing this budget made a commitment to spend money, and that he is of the opinion that spending it with Amtrak on their wish list, with mayors on their wish list, and with others is truly going to help the American economy.

Frankly, I agree with Senator DANFORTH. I agree wholeheartedly. This is an issue of increasing the deficit in the name of a stimulus package which is nothing more than just spending the taxpayers' money, all while there is an aura around that we are cutting the deficit over the next 5 years.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri has 2 minutes remaining. The Senator from Nebraska has 18 minutes.

Mr. EXON. I yield myself 2 minutes.

Once again, we have been listening to what I addressed previously; that is, a tax on the whole scope of the President's program on a relatively small amount of money comparatively speaking that has been provided for Amtrak.

Once again, I say that is a legitimate discussion. But it is not proper, I do not think, to say that the money being spent on Amtrak is being wasted. It is not being wasted.

I noticed with great interest the figures—I do not dispute the facts that the Senator from Missouri has used with regard to Amtrak funding. You will notice, though, Mr. President, that the word "Federal" was in there; Federal funding.

Certainly, I think all realize that the airline industry is indeed being subsidized very, very heavily. If you do not believe it, ask the people of Minnesota that have obligated a very large amount of money from the State of Minnesota in the thousands of dollars, as I understand it, against every citizen of that State to keep a very major airline going whose hub is in the Minneapolis-St. Paul area.

I simply say that if you take the Federal dollars only and ignore what is going to subsidize the airline industry with regard to airports and other facilities around the country, and the expense of managing the agencies of the Federal Government that oversee that airline industry, you will see that dollar for dollar it is pretty minuscule as far as everything is concerned.

I give myself 1 additional minute.

In addition to that, Mr. President, I would simply say that time and time again in the facts that have been used in this argument tonight, it is said outside the Northeast corridor these facts are true. The Northeast corridor is a pretty good operation. But it is only a part of the total Amtrak service in the United States of America.

Certainly, I recognize and realize that Amtrak does subsidize their passenger trains to the less populated parts of the United States of America. What is wrong with that?

I reserve the remainder of my time.

I yield 10 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 10 minutes.

Mr. LAUTENBERG. Mr. President, I thank my colleague, the Senator from Nebraska.

This is a subject I think most know is very dear to my heart. It is not because I like to play with model trains. It is because I want to help this country achieve the goals that we have set out for ourselves—less dependence on the foreign oil, improvements in the way we move people and material, to try and clean up the air, to try and reduce the incredible amount of time wasted going from place to place, trying to get people off the highways, trying to reduce congestion on the ground and in the air.

One of the ways that we are going to do that, a significant way, is to finally put enough money into the national rail passenger service to make it a 21st century system. We are so far behind our competitors in investment in the passenger service that we look Neanderthal, maybe third world, when compared to other countries around the world.

I have a great deal of respect and affection for the distinguished Senator from Missouri. We are going to miss his presence when he no longer enters this Chamber. But in this case, I am going to forcefully, even convincingly, disagree with him, because the argument over Amtrak is not one that ought to be made in a manner that I sense, Mr. President, is somewhat partisan. I think the track we are talking about is not Amtrak, but the sidetrack of the President's program, to try and make it look as if it does not add to the national well-being.

Well, it certainly does. I first would like to talk to one part of this debate. That is the subsidy issue which was, as I understand, discussed at length here.

There is no mode of transportation in this country that is unsubsidized. There is no national rail passenger service across the globe that goes unsubsidized. And, Mr. President, we subsidize aviation. I love aviation. I just wish we did not have to subsidize it to the tune of $2 billion a year. I wish we did not have to subsidize highways, but we do, to the tune of billions of dollars a year, because it is in the national interest.

Each year, we put over $2 billion of general revenues into the air traffic control system. That's a subsidy. I think we ought to encourage aviation. I think we ought to help to make the system so efficient that we can encourage other competitors to come into the market, instead of seeing now what is taking place—bankruptcies, receivership, and unfair competition, heavily subsidized by the taxpayers. One way we ought to try to make that operation more efficient is to make sure that there is a balanced transportation network, including transit, buses, and high-speed rail service.

St. Louis is one of those places that has some interest in developing a high-speed rail system, I understand, between Chicago and St. Louis, and the agency that is going to deal with that, of course, is Amtrak.

Amtrak's subsidy is $331 million this year, which is peanuts in comparison to the subsidy that other modes receive. It is a lot less, as I said earlier, than what other countries put into their rail system. Amtrak is doing very well. It is recovering more and more at the fare box, now up to 87 percent, Mr. President. That is quite a jump from where it was; it is far better than any other system in the world. The subsidy has been coming down.

One of the problems that Amtrak has had is that it has a terribly antiquated

capital system. Its signal system is far behind the technology that is available today. It is an essential part of a balanced transportation system, one that the President wants to expand and improve.

When I hear my colleagues from the other side of the aisle talk about the stimulus package, I hear them challenging the whole program. Well, that is the prerogative of debate in this Chamber. But the fact is that we get the best bang for the buck when we talk about infrastructure investment. It creates jobs, prepares us for the future, and makes us more competitive and responsive to clean air requirements, and less dependent on foreign oil. The ability of Amtrak to be more competitive, to bring the costs down, depends on its ability to modernize and to reduce its need for a Federal operating subsidy, because we have the equipment and a newer infrastructure to deal with. Amtrak is planning to expand high-speed rail service in corridors outside of the Northeast. The Northeast corridor is a favorite subject of discussion because it had a lot of money put into it. It serves a very densely populated part of the country.

The actual salaries for Amtrak workers are no more than for those who work on the highways or on any of the jobs created by funding this bill. The job figure used by the Senator from Missouri is off the mark. The cost figures for rehiring furloughed employees includes the cost of all of the material necessary for the capital program, like new track and new rolling stock. The Senator from Missouri also complains that Amtrak is getting into the bus business with the Federal subsidy. That I disagree with. It is a misstatement, because the new bus service is funded entirely by the State of California, in this case, without Federal subsidy.

It is also said by my distinguished colleague that Amtrak's capital budget in 1993 was only $165 million. I am not bragging, Mr. President, nor am I crowing, but that is off the mark by more than 100 percent, because in fact Amtrak's capital, including the Northeast Corridor Improvement Program—was $370 million.

Thus, when we look for $188 million in this stimulus package, it is consistent with what we are trying to do—get people back to work, improve the facility that serves our economy, make us more competitive.

As chairman of the Senate Subcommittee of Appropriations on Transportation—I can tell you, Mr. President, there are very few States that do not want either new or expanded service. They see the value of Amtrak. If we had railroads like those in Europe or like those in Japan, we would substantially reduce the congestion and the inefficiency of the entire transportation system.

So when we look at the whole package, Mr. President, I see this as a very positive thing for our country, long range; and this is one of those rare instances where you get immediate benefit—you get people back to work, and you set the stage for further economic benefits. It is said by Amtrak and suppliers of rail cars that if we venture into the high-speed rail system in a serious way, they are going to make the equipment in this country.

So I see this as a win-win situation, Mr. President. I hope that we will defeat the amendment that the Senator from Missouri is offering.

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

Who yields time?

The Senator from Nebraska has 6 minutes remaining. The Senator from Missouri has 2 minutes remaining.

Mr. BYRD. Mr. President, we have heard much about passing around the hat, how all of the projects or programs that are involved in the stimulus bill as a result of the President's going out in the country, passing around the hat, letting the mayors put in their wishes, and letting the Governors put in their wishes, and letting the county commissioners put in their wishes, and letting municipal officials put their wishes into the hat.

And this is just another way to spend money, spend money, feel good about spending money. Shame. Shame. What about people in these rural areas? We do not have airports, we do not have major airports. In some areas, rural areas, we have to travel miles and miles and miles just to reach a small airport. We do not have metro systems in rural areas. Bus transportation, we may have a little of that. People still have to travel, and they need to travel in safety.

Shame. May I ask what is the cost of a round-trip ticket to St. Louis from Washington? I will tell you what it is to Charleston, WV, 1 hour's flight, 50 minutes' flight, to Charleston, WV, and back. My wife goes to Charleston, WV, and back; she pays $540.

I voted to deregulate the airlines and I have been kicking myself in the pants every since. And now they make us give an arm an a leg to get from here to Charleston, WV, and back. I daresay one can go from here to London and back, one can go to California and back for less money.

Mr. LAUTENBERG. Mr. President, if the Senator will yield 1 second, I tell you the trip between Newark, NJ, and Washington, DC, round trip is over $300.

Mr. BYRD. Yes, I yield to the distinguished Senator from Maryland.

Mr. SARBANES. I very much appreciate the chairman yielding. I want to make one point before the time expires.

Mr. BYRD. Go ahead.

Mr. SARBANES. Mr. President, the European Community has committed itself to spending $30 billion to upgrade the rail system in Europe. They have undertaken that commitment in the European Community. They have major plans for an upgrading of the European rail system.

This amendment is going to knock out $188 million to help upgrade Amtrak in this country. But I just want to make the point that someone, somewhere in the world, perceives the advantage of a first-class rail system, and the Europeans perceive it to the point that they are willing to put $30 billion into doing exactly that.

When are we going to wake up in this country and meet this kind of competition that they are imposing on us.

Mr. BYRD. Mr. President, the Senator from Maryland makes a very pertinent and important point. This money is to make Amtrak safer, to improve on-time performance. We deregulated the airlines. We have deregulated the intercity buses. But for much of rural America, Amtrak is all there is left. That is all there is left.

We subsidize the airlines. Funding for one-half of the operating costs of the air traffic control system—get this—funding for one-half of the operating costs of the air traffic control system came from where? The general fund. Not from the trust fund, from the general fund. The general fund appropriation each year is in excess of $2 billion for the air traffic control system.

Amtrak's total 1993 appropriation was $496 million, and of that amount, only $331 million was for operating subsidies.

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

The PRESIDING OFFICER. The Senator has 56 seconds remaining.

Mr. BYRD. I will save that for later.

The PRESIDING OFFICER. Who yields time?

The Senator from Missouri.

Mr. DANFORTH. Mr. President, I would similarly like to answer a question that was previously asked, I think, by Senator EXON. He asked what is wrong with subsidies. In addition to costing money, what is wrong with subsidies is that they hurt competing modes of transportation.

Last year, the General Accounting Office wrote a report and one of the conclusions in the report is, while bus subsidies increased to 7 cents per passenger in the early 1980's, Amtrak's subsidy increased to more than $50 per passenger. The Senator from West Virginia talked about what happens in small communities. Well, there are only 524 communities in this country that are served by Amtrak; there are 6,000 communities that are served by intercity bus. That is down from 23,000 in 1960.

So we are subsidizing one mode of transportation, hurting another mode of transportation, and spending an extra $188 million of the taxpayers' money in this particular program.

This really is waste, Mr. President. And this amendment offers us an opportunity to save $188 million.

Mr. SARBANES. If the Senator will yield, Mr. President, if he has time, how many buses do you think you have to put on the Northeast corridor to carry the passengers that travel up and down that corridor, now, by train? I mean, it boggles the imagination to think about that problem.

The PRESIDING OFFICER. The Senator from Missouri retains 40 seconds; the Senator from West Virginia, 56 seconds.

Who yields time?

Mr. BYRD. Mr. President, since the St. Louis Metrolink transit project first began, the total funding to date—and that is over a period, I am advised, of about 7 years—the total funding to date is $327.6 million. Come on. Come on. How about a little funding for Amtrak? Let us promote the safety of Amtrak. Let us get rid of this backlog of maintenance that exists all over this country.

Amtrak runs in 45 States out of the 50. Now, come on. Help us a little in the rural areas.

How many times do you think my wife can afford to make trips to Charleston, WV, and back, at $540 a trip?

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

The Senator from Missouri has 40 seconds remaining.

Mr. DANFORTH. Mr. President, to repeat, the question is whether we have $188 million of taxpayers' money available for a supplemental appropriation, not governed by the normal budget process, to spend in extra money for Amtrak—Amtrak, which has been subsidized at over $50 per passenger, as compared with about a nickel a passenger on intercity buses; Amtrak, which has never made money, and still does not, outside the Northeast corridor.

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

The majority leader.

Mr. MITCHELL. Mr. President, I yield myself time from my leader time.

The PRESIDING OFFICER. The Senator is recognized.

Mr. MITCHELL. Mr. President, this is a problem that we now face over and over again on this bill, and I mean no criticism of my friend from Missouri. He is a friend and he is a very fine Senator. We would be sorry if he loses.

But as the distinguished chairman of the Appropriations Committee pointed out, he did not stand up and object when $330 million of Federal taxpayers' money went to one city in his home State. But now, all of a sudden, it is waste if anyone else gets anything.

That is what we face on this bill over and over again. Yesterday, we heard the Senator from Texas, who of course favored these multibillion-dollar projects for Texas, criticize so-called waste. And $330 million went to the city of St. Louis for a metro project, and the Senator did not object. He probably supported it. He probably took credit for it, and probably deserved it.

Was that not waste? Why did we not vote to cut that out?

I think what we have here is a growing and a glaring inconsistency, where the very people who speak the most about waste are the ones who are for the spending when it is in their States and for their constituents. I think that inconsistency is becoming more evident the more discussion there is about this bill. And, I repeat, this is not a criticism of the Senator from Missouri. He is a fine Senator and a good friend. He probably fought for his State.

I just think, though, that we all ought to be aware of the position that we find ourselves in when we deal with these measures.

Mr. President, I yield from leader time an equal amount of time for the Senator from Missouri to respond.

Mr. DANFORTH. Mr. President, I appreciate the majority leader yielding from his time.

I really do not think that it is an argument to say that, all right, everybody in the Senate has voted for appropriations bills; everybody in the Senate has utilized the normal budget and appropriations process in order to serve the interests of their constituents.

That is absolutely true and, therefore, every Member of the Senate is estopped from criticizing a supplemental appropriations bill which is outside the normal budget process. I mean, the issue is not whether we should ever appropriate money for anything; the issue is whether we should set aside the normal process, go outside the normal budget, and in the name of stimulating the economy, spend in this case $188 million beyond the normal appropriations process for Amtrak.

I am critical of the underlying legislation. There is no doubt about it. I think that it is a mistaken view of economics to try to tax and then spend our way out of economic difficulty. That is true.

But I think that, if you say, "Well, every Senator votes for appropriations bills, therefore, no Senator can criticize $188 million of additional spending for Amtrak," to me that is simply incorrect reasoning.

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

The PRESIDING OFFICER. The majority leader controls the time.

Mr. SARBANES. Will the majority leader let me put a question?

Mr. MITCHELL. I will yield to the Senator for 1 minute for a statement. We have to get to this vote.

Mr. SARBANES. I would just point this out to the Senator. I take it St. Louis receives $330 million for mass transit.

But I would like to know what the subsidy is that will underwrite the riders of that mass transit system, since every mass transit system in the country, by definition, is subsidized; otherwise, it is not economically viable.

I daresay to the Senator that I would not be at all surprised if the subsidy in St. Louis, per rider for your mass transit system, were higher than the underwrite for the Amtrak passengers.

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

Mr. MITCHELL. I will just close by saying, when St. Louis comes into the next link on this line, I think it should be subjected to very careful scrutiny, the same scrutiny that should apply to all projects.

Mr. DANFORTH. Mr. President, how am I to take that comment by the distinguished majority leader?

I mean, the way I could have heard that, is to say that a Senator who is offering an amendment to this appropriations bill is, henceforth, going to be subjected to special scrutiny for programs that pertain to his State in the normal appropriations process.

Mr. MITCHELL. I precisely said, "the same scrutiny that should apply to all projects." Those were my exact words.

Mr. DANFORTH. I appreciate that.

UNANIMOUS-CONSENT AGREEMENT—HOUSE CONCURRENT RESOLUTION 64

Mr. MITCHELL. Mr. President, I ask unanimous consent that, following the disposition of the Danforth amendment to the supplemental appropriations bill, the Senate turn to the conference report to accompany House Concurrent Resolution 64, the budget resolution; that there be 6 hours of debate, equally divided, pursuant to the provisions of the Budget Act; that at the conclusion or yielding back of time on the conference report this evening, the Senate lay the report aside; that when the Senate recesses today, it stand in recess until 9:20 a.m. on Thursday, April 1; that following the prayer on Thursday, the Journal of Proceedings be deemed approved to date and the time for the two leaders reserved for their use later in the day; and that at 9:25 a.m., the Senate resume consideration of the conference report to accompany the budget resolution; that there be 20 minutes for debate, equally divided and controlled between the two leaders or their designees; and that the vote on the adoption of the conference report occur at 9:45 a.m., without any intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I thought I heard everything the leader said. But, reserving the right to object, from what he said, having a vote tomorrow morning

at 9:45, how much actual debate, out of the statutory time for the debate of a conference report, will be allowed on the conference report?

Mr. MITCHELL. There will be 6 hours and 20 minutes.

Mr. GRASSLEY. So that will be tonight, then, is that what the leader is saying?

Mr. MITCHELL. Six hours tonight and twenty minutes in the morning.

The PRESIDING OFFICER. Is there objection?

Mr. BROWN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. I would simply address an inquiry to the distinguished majority leader.

Inasmuch as this perhaps may be one of the most important budgets that has come before us, at least in recent years, I wonder if it would not be more amenable to the Members if we had a little bit more time to share the debate tomorrow.

Obviously, I know many Members will stay and want to listen to the debate past midnight, but I suspect not all.

I wonder if it would not be a bit more appropriate to have some additional time in the morning—not a great deal; I know it is not our purpose to delay the proceedings here—perhaps another hour?

Mr. MITCHELL. Mr. President, this agreement was negotiated between both sides and was cleared by the Republican leader, I thought, following consultation with Republican Senators.

Mr. BROWN. I thank the Senator.

Mr. MITCHELL. It represents a compromise between the two points of view.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. Does the Senator reserve the right to object?

Mr. DANFORTH. No.

The PRESIDING OFFICER. If there is no objection, it is so ordered.

Mr. MITCHELL. If I might just announce, then, this vote will be the last rollcall vote this evening and there will be a vote on the budget resolution conference report at 9:45 am tomorrow, pursuant to the order just obtained.

Mr. DANFORTH addressed the Chair.

Mr. DANFORTH. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD certain material pertinent to the subject on which we are about to vote.

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

Infrastructure improvement projects locations

[In millions of dollars]

Project description:	*Amount*
Equipment overhauls:	
Beech Grove, IN	44.50
Delaware shops	16.70
Total equipment overhauls	61.20
Maintenance facility improvements:	
Boston, MA car shop extension	5.00
Los Angeles, CA locomotive shop	10.40
Beech Grove, IN, facility improvements	3.40
Total facility improvements	18.80
Station improvements:	
Station projects to be selected from the following candidates:	
New modular replacements	5.40
San Bernardino, CA	
Springfield, MA	
Toledo, OH	
Charlottesville, VA	
Lynchburg, VA	
Major improvements (projects $200K and above)	30.25
Phoenix, AZ	
Tucson, AZ	
Los Angeles, CA	
Sacramento, CA	
Denver, CO	
Washington, DC	
Tampa, FL	
Chicago Union Station	
Springfield, IL	
New Orleans, LA	
Baltimore, MD	
Detroit, MI	
Minneapolis/St. Paul, MN	
Albuquerque, NM	
Albany, NY	
Buffalo, NY	
NY Penn Sta., New York, NY	
Syracuse, NY	
Salem, OR	
Lancaster, PA	
Philadelphia 30th St., PA	
Fort Worth, TX	
Alexandria, VA	
Lorton, VA	
Richmond, VA	
Seattle, WA	
Milwaukee, WI	
Charleston, WV	
Station Projects Between $100K and $200K	3.44
Fullerton, CA	
San Diego, CA	
San Francisco, CA	
San Jose, CA	
San Luis Obispo, CA	
Santa Barbara, CA	
Jacksonville, FL	
Miami, FL	
Ocala, FL	
Sebring, FL	
Winter Haven, FL	
Atlanta, GA	
Osceola, FL	
Galesburg (BN), IL	
Newton, KS	
Topeka, KS	
Dearborn, MI	
Kansas City, MO	
Newark, NJ	
Lamy, NM	
Las Vegas, NV	
Reno, NV	
Portland, OR	
Elizabethtown, PA	
Kingston, RI	
Pasco, WA	
Spokane, WA	
Station projects $100K and below	3.76
There are approximately 250 stations throughout the country which are candidates for work valued at less than $100K per location.	
Total station improvements	42.85
Track and right-of-way improvements:	
Acquire and Install Concrete Ties (DE, MD, NJ, PA)	29.00
Acquire & Install Continuous Welded Rail (CT, MA, DC, PA)	3.40
Upgrade at Yds & Service Facilities (CA, DC, IN, PA, FL, VA)	5.30
Total right-of-way improvements	17.70
Small equipment purchases:	
(Various suppliers located throughout the U.S.—to be determined)	
Maintenance of Way Equipment Purchases (AL, SC, VA)	
Maintenance Facility Equipment Purchases	
Material Management Equipment Purchases	
Vehicle Replacement Program	
Commissary Vehicles	
Total small equipment purchase	12.90
Locomotive purchases:	
Expand Current Order—GE Erie, PA	
Switching Locomotives—Supplier TBD	
Total locomotive purchases	34.50
Total infrastructure investments	187.95

Mr. BYRD. Mr. President, I move to table the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia [Mr.

BYRD] to table the amendment of the Senator from Missouri [Mr. DANFORTH].

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. BOND], is necessarily absent.

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

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

[Rollcall Vote No. 93 Leg.]

YEAS—61

Akaka	Feinstein	Mikulski
Baucus	Ford	Mitchell
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Bradley	Hollings	Nunn
Breaux	Inouye	Pell
Bryan	Johnston	Pryor
Bumpers	Kassebaum	Reid
Byrd	Kennedy	Riegle
Campbell	Kerrey	Robb
Chafee	Kerry	Rockefeller
Coats	Kohl	Roth
Cohen	Krueger	Sarbanes
Conrad	Lautenberg	Sasser
Daschle	Leahy	Simon
DeConcini	Levin	Specter
Dodd	Lieberman	Wellstone
Dorgan	Lugar	Wofford
Exon	Mathews	
Feingold	Metzenbaum	

NAYS—38

Bennett	Gorton	McConnell
Boren	Gramm	Murkowski
Brown	Grassley	Nickles
Burns	Gregg	Packwood
Cochran	Hatch	Pressler
Coverdell	Hatfield	Shelby
Craig	Heflin	Simpson
D'Amato	Helms	Smith
Danforth	Jeffords	Stevens
Dole	Kempthorne	Thurmond
Domenici	Lott	Wallop
Durenberger	Mack	Warner
Faircloth	McCain	

NOT VOTING—1

Bond

So the motion to lay on the table the amendment (No. 290) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the motion was agreed to:

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

USER FEES ON PUBLIC LANDS

Mr. BURNS. Mr. President, I rise today to commend my fellow Western Senators on the other side of the aisle and in particular my friend and colleague the senior Senator from Montana [Mr. BAUCUS] for their success in convincing President Clinton of the negative economic impacts of increasing user fees on public lands.

It is my understanding that President Clinton plans to leave the proposal to increase the fees in the budget but will not oppose efforts to remove the proposal.

I have been expressing my concerns about the negative impacts on my own State of Montana of the Clinton budget plan ever since it was unveiled nearly a month and a half ago. I was pleased to see my colleagues Senators BAUCUS, CONRAD, DORGAN, CAMPBELL, BINGAMAN, DECONCINI, BRYAN, and REID write both OMB Director Panetta and President Clinton and say, "We are, however, convinced that several features of the present plan—particularly when taken together—would harm the economies of the Farm Belt and the American West. With its heavy cuts in the current farm program and increased fees on extractive resources industries, we believe the plan, in its current form, would have a disproportionate negative impact on our home States."

I want to praise Senator BAUCUS for taking the lead on this vital issue to our State. He very clearly understands the devastating impact such proposed actions would have in Montana. I know that this has been very difficult for him. All the people of Montana and especially ranchers, miners, and loggers should be thankful for his courage and leadership on this issue.

Our concerns are not based on whether you are Democrat or Republican, they are based on what's fair and what's not fair. The Clinton budget plan simply does not treat the residents of the West in a fair manner. Agriculture and natural resources, along with westerners who drive long distances, are being asked to do more than other Americans.

While I am bothered that the plan relies too heavily on tax increases and too little on spending reductions, I am most concerned like my western Democratic colleagues about the energy taxes, which will hit large rural energy producing and agricultural States, like Montana, very hard.

Not only do Montanans have longer distances to drive and colder, longer winters than most, but a large part of our economy is based on energy production. The Clinton plan is weighted against western coal, it will impact the price of hydroelectric power, which Eastern States don't have.

Furthermore, agriculture, our State's No. 1 industry, will bear the largest part of the burden. Agriculture is an energy-intensive business, and the increase in direct fuel prices will cost America's farmers $500 million, and price increases for petrochemicals and fertilizers adds another $500 million.

I plan to work closely with Senators BAUCUS, CONRAD, and DASCHLE, all members of the Finance Committee, to include the exemption for off-road uses of gasoline and diesel fuel from the Btu energy tax.

While the Senate Budget Committee has slightly reduced the $8 billion of spending cuts being asked for from America's farmers and ranchers that was in the Clinton package, I agree with my friends Senators CONRAD and DORGAN from North Dakota that it is still unfair to our Nation's farmers and ranchers who feed our Nation.

All this, coupled with increased mining fees, increased grazing fees, changes in current below cost timber sales policy and the like, adds up to trouble for Western States and trouble for Montana's economy. Every facet of our natural resources-based economy will be impacted.

I for one want to work with Senator BAUCUS and my fellow western Democratic Senators on making this budget more balanced for the West. Yesterday, I sent a letter to the budget conferees asking that the user fee increases and the elimination of below-cost timber sales be deleted from the congressional budget resolution. In light of President Clinton's agreement not to oppose such an action, it is my hope that this can be accomplished before the budget resolution is enacted.

Thank you, Mr. President. I yield the floor.

COMMUNITY DEVELOPMENT BLOCK GRANTS AND THE AMERICANS WITH DISABILITIES ACT

Mr. HARKIN. Mr. President, I would like to enter into a colloquy with Senator MIKULSKI, the distinguished chair of the Subcommittee on Veterans Administration, Housing and Urban Development, and Independent Agencies, regarding the use of community development block grant funds to bring communities into compliance with the Americans with Disabilities Act, the Fair Housing Act, and for other purposes that will result in greater opportunities for people with disabilities to participate in community activities.

Ms. MIKULSKI. I would be pleased to enter into a colloquy with the Senator from Iowa, the chief sponsor of the Americans with Disabilities Act and a member of the Committee on Appropriations.

Mr. HARKIN. I thank the distinguished Senator from Maryland for allowing this inquiry. In the past, many communities have utilized CDBG funds in a variety of ways that benefit people with disabilities. For example, funds have been used to: acquire or rehabilitate buildings, group living arrangements, and other community-based services. In addition, CDBG funds have been used to construct facilities such as therapeutic swimming pools and rehabilitation facilities which serve people with disabilities. Some communities have utilized CDBG funds to create an accessible environment through barrier removal both communitywide and in housing. For example, CDBG is one of the few funding sources available to a locality to assist tenants with disabilities to make accessibility modifications to their homes, consistent with the Fair Housing Amendments Act.

In enacting the Americans with Disabilities Act in 1990, Congress established a January 26, 1995 deadline for all communities to install curb cuts, where necessary. In addition, the ADA requires all local governments to make

public facilities such as libraries and city hall accessible, where appropriate. I believe a great opportunity presents itself with the enactment of the fiscal year 1993 supplemental appropriations bill for State and local governments to use CDBG funds and/or the jobs programs to eliminate many, if not all, barriers to accessibility as required by title II of the ADA.

Does the Senator from Maryland concur with my assessment that a community may use these additional funds under CDBG to ensure greater accessibility for people with disabilities?

Ms. MIKULSKI. I agree with the Senator from Iowa that a local community may, at its discretion, use its CDBG funds to ensure greater accessibility for people with disabilities, including efforts to achieve compliance with the accessibility provisions of the ADA and the Fair Housing Act through such activities as installing curb cuts and ramps and by providing signage. While no set amount of funding is established for such activities, communities may wish, if they so choose, to assess their accessibility needs under the ADA before deciding how to use the supplemental funds made available under the CDBG. I also concur that the jobs programs to be spurred by this supplemental appropriations bill could well be used to achieve compliance with the accessibility requirements of the ADA if a locality decides to allocate its funds in that way.

Mr. HARKIN. I thank the Senator from Maryland for her strong support for the ADA and for affirming that CDBG funds and other funding under this supplemental appropriations bill may be used to enable communities to achieve better accessibility for people with disabilities.

TAXES ON SMALL BUSINESS SHOULD NOT BE RAISED

Mr. PRESSLER. Mr. President, I rise today to discuss an important piece of legislation I will be introducing before the April recess. I am very concerned about the effects of President Clinton's tax proposals on small business.

This past weekend, I held a small business seminar in Sioux Falls, SD. I talked with small business men and women in an informal exchange of ideas. We spent a significant amount of time talking about taxes.

Under the President's proposal, the top marginal individual income tax rate would be raised to more than 42 percent—that is, when the surtax and Medicare tax are included. This figure, however, does not even include the effects of the energy tax.

Briefly, my legislation would freeze tax rates at current levels for sole proprietorships, partnerships, and subchapter S corporations. My legislation would help protect small businesses from contributing even a greater share of our Government's feeding frenzy for taxes. We need to cut spending first, and then talk about new taxes. According to a survey by the National Federation of Independent Business, only 8 percent of small businesses think the deficit should be reduced through tax increases.

Mr. President, we have been told that President Clinton's proposal is designed to raise taxes on so-called wealthy individuals. What is not being told to the American people is that a large number of the so-called wealthy are really unincorporated small businesses and family farms. Of the approximately 3.1 million people who earned over $100,000 in 1990, according to IRS statistics, conservative estimates show that at least one-third of them were small businesses.

Income tax increases, combined with the proposed energy tax, would cripple this most successful job producing sector of our economy. This is a double whammy against small businesses. While we do not know many of the details yet, many are expecting a triple whammy once the administration's health care proposals are made public.

While some advocates of higher taxes will criticize my proposal as another tax break for the rich, I assure you it will not be.

My proposed small business tax freeze would benefit only truly small enterprises. It would include a qualification ceiling based on the size of a business. Only those men and women who are actively, and I repeat—actively—involved in a small business, family farm, or ranch would benefit from this legislation. Passive investors need not apply.

Mr. President, I recently offered a somewhat similar sense of the Senate amendment to the budget resolution. That amendment, while it failed by a few votes, focused the attention of this body on the plight of America's small business.

As the ranking member of the Small Business Committee, I will not be forced to sit by quietly on the sidelines and watch small businesses be forced to ante up yet another time so we can grow the Government, creating makework bureaucratic jobs, each costing $40,000 or more. Small businesses can expand and create jobs and opportunities for workers and families across the country. And it will not cost the taxpayers a dime.

The legislation I plan to introduce before this week is out will have teeth. I also hope that following the recess, the distinguished chairman of the Small Business Committee will agree to hold a hearing on the effects of significant tax increases on small businesses and proposals such as mine.

Mr. President, I hope my colleagues will join me as cosponsors of this legislation.

CLINTON STIMULUS PACKAGE'S CONTRIBUTION TO INEFFECTIVE GOVERNMENT

Mr. GRASSLEY. Mr. President, during the 1980's we experienced a tremendous buildup in defense spending. But instead of receiving more defense, we got less defense at a more expensive price.

When such a massive amount of money is spent in such a short period of time, we get waste, fraud, and abuse. This is one of the important lessons of the 1980's, and I was one Senator who worked to point this out.

Now I would like to point out the same problem only in a different area.

The Clinton budget, and the Clinton stimulus package that we are debating today, do not reflect the lessons learned from throwing too much money at the defense industry during the 1980's. Now we are running the risk of doing to domestic programs what we did to defense programs in the eighties. We are throwing money at domestic problems.

We are not reinventing Government first, and then funding a more effective Government with fewer dollars. We are throwing money at the problems hoping that this will solve them.

In this stimulus package, and in the Clinton budget, we are spending massive amounts of money on domestic problems including infrastructure.

Federal infrastructure spending is more likely to go toward unnecessary, inefficient, and overly expensive projects if the spending is forced into a pipeline that cannot absorb it.

Massive spending of the sort advocated by the Clinton budget and stimulus packages only continues this inefficient system. There is no incentive to spend the money efficiently.

The budget that we passed earlier this week would provide for increased funding of approximately $14 billion. The Clinton stimulus plan would spend an additional and immediate $4.16 billion in transportation infrastructure.

Mr. President, I am not one to say that there is no legitimate role for the Federal Government in the area of transportation. I think that the Federal Government has an important role to play in insuring that our infrastructure needs are met.

But we are not playing that role by throwing massive amounts of spending at transportation problems without considering how to most effectively spend this money.

There are a number of suggestions on things we could do immediately to reinvent the way we attempt to improve our transportation infrastructure.

They include suspending the Davis-Bacon Act, which artificially raises the costs of transportation projects, and privatizing airports.

And I hope that the Clinton administration will have other ideas on how to reinvent transportation spending. But we have not seen these ideas as yet.

As I mentioned earlier, during the 1980's, I expressed concerns about spending at the Department of Defense under two Republican Presidents. I be-

lieve that I have some legitimacy when I express these same concerns about domestic spending under a Democratic President.

The Clinton budget and stimulus package do not reflect the lessons learned from throwing too much money at the defense industry during the 1980's. This is not reinventing Government, it is business as usual.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I have asked the ranking manager and I ask the chairman whether it would be agreeable if the distinguished majority whip could handle the wrapup a couple minutes before we get started on this?

Mr. SASSER. Sure.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that we now have a period for morning business.

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

HANK GREENSPUN, THE TRAILBLAZER

Mr. REID. Mr. President, on April 23, 1992, a plaza in Jerusalem will be dedicated to a Nevada legend and world-class human being.

Herman Milton Greenspun—a man we all knew as Hank—was a trailblazing newspaper publisher, magazine publisher, radio pioneer, television station owner, advertising businessman, author, international human rights activist, community leader, philanthropist, public relations master, decorated war veteran, devoted husband, proud father of four, and admiring grandfather.

Hank Greenspun is a Nevada frontiersman who used his wit and ingenuity to blaze a path of dogged independence for the Silver State. Born in Brooklyn, Hank moved to Las Vegas in the 1940's, worked in public relations before turning his irrepressible talent to the media. He founded the first radio station in Las Vegas and soon thereafter purchased a small union newspaper, which he transformed into the Sun.

Hank was a pioneer and visionary who saw the potential for Las Vegas when it was just a dusty stopover for travelers. Today, that once little-known town is the fastest growing city in America.

In Israel, Hank is a national hero. He was one of the group of Americans who collected arms, including aircraft, for the underground Jewish defense organization Hagana to help establish the State of Israel. In 1947, he was convicted for smuggling arms to Israel and sentenced to jail and consequently lost his U.S. citizenship. Far from being dispirited, Hank stood tall and said he was proud of his efforts. President Lyndon Johnson subsequently pardoned him and restored his citizenship.

Hank was forever a supporter and activist for the State of Israel. He risked his livelihood, and his life, to help liberate Israel. His loyalty to America was equally strong. He trained as a lawyer and served in the Armed Forces in World War II, rising to the rank of major and serving with Gen. George C. Patton's 3d Army as a combat officer.

What I remember most about Hank was his courage. He was never afraid and his opinionated columns in the Sun took no prisoners. When he felt Nevadans were being harassed by the tax man, he took on the Internal Revenue Service. And he sincerely cared about his community. In fact, when he was battling the IRS behemoth, he told subscribers that he would provide them a lawyer and reporter if they should be called for an audit.

Hank will go down in American history books as an outspoken, personable character committed to liberty and justice, with a style all his own. In four decades of journalism, his aim was wide and his targets precise. There was never a doubt about where he stood. In one column, he even recommended that Senator Joseph McCarthy commit suicide. His friendship with reclusive billionaire Howard Hughes in the 1960's led to a plan by President Nixon's Watergate men to burglarize his safe in order to uncover documents about Hughes' personal life.

In July of 1989, Hank left this world, but he will never leave our hearts. Following his passing, the Las Vegas Sun said "his death represents the end of an era."

Nevadans and Israelis always knew where Hank stood. Mr. President, I want my Senate colleagues and this nation to also know of this great man. The Hank Greenspun Plaza at the Jerusalem and University Botanical Gardens is a fitting tribute to a man who placed his exemplary family first, always teaching them of their heritage. The United States of America and the State of Israel are better because of Hank Greenspun's life.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar 39, 40, 41, 42, 52, 54, 55, and 56 and all nominations placed on the Secretary's desk in the Foreign Service.

I further ask unanimous consent that the nominees be confirmed, en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table, en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nominations considered and confirmed, en bloc, are as follows:

DEPARTMENT OF STATE

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.

DEPARTMENT OF THE TREASURY

Lawrence H. Summers, of the District of Columbia, to be an Under Secretary of the Treasury.

DEPARTMENT OF STATE

Joan E. Spero, of New York, to be Under Secretary of State for Economic and Agricultural Affairs.

Harriet C. Babbitt, of Arizona, to be the Permanent Representative of the United States of America to the Organization of American States, with the rank of Ambassador.

Thomas E. Donilon, of the District of Columbia, to be an Assistant Secretary of State.

George Edward Moose, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be an Assistant Secretary of State.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Foreign Service nominations beginning Daniel B. Conable, and ending Franklin D. Lee, which nominations were received by the Senate on March 8, 1993, and appeared in the CONGRESSIONAL RECORD of March 9, 1993.

Foreign Service nominations beginning Melvin W. Searls, Jr., and ending Theodore J. Villinski, which nominations were received by the Senate on March 8, 1993, and appeared in the CONGRESSIONAL RECORD of March 9, 1993.

Foreign Service nominations beginning Robert Bemis, and ending William J. Weinhold, which nominations were received by the Senate on March 8, 1993, and appeared in the CONGRESSIONAL RECORD of March 9, 1993.

Foreign Service nominations beginning William M. Tappe, and ending Daniel L. Dolan, which nominations were received by the Senate on March 8, 1993, and appeared in the CONGRESSIONAL RECORD of March 9, 1993.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

UNANIMOUS-CONSENT AGREEMENT—EXECUTIVE CALENDAR NO. 53, STROBE TALBOTT

Mr. FORD. Mr. President, as in executive session, I ask unanimous consent that when the Senate turns to the consideration of the nomination of Strobe Talbott, to be Ambassador at Large and Special Adviser to the Secretary of State on the New Independent States (Executive Calendar No. 53), there be 40 minutes of debate, equally divided between the chairman of the Foreign Relations Committee, Mr. PELL, or his designee, and the Senator from Arizona, Mr. MCCAIN; that at the conclusion or yielding back of time, a vote occur on the nomination, without any intervening action; that the motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

AUTHORIZATION FOR PRINTING OF SENATE DOCUMENT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 85 submitted earlier today by Senator PRYOR, a resolution to authorize the printing of additional copies of a Senate report entitled "Developments in Aging: 1992"; that the resolution be agreed to and the motion to reconsider laid upon the table; that any statements relating to this resolution appear in the RECORD at the appropriate place.

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

The resolution (S. Res. 85) is as follows:

S. RES. 85

Resolved, That there shall be printed for the use of the Special Committee on Aging, in addition to the usual number of copies, the maximum number of copies of volumes 1 and 2 of the annual report of the committee to the Senate, entitled "Developments in Aging: 1992", which additional copies may be printed at a cost not to exceed $1,200.

MESSAGES FROM THE HOUSE

At 4:11 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 175. An act to amend title 18, United States Code, to authorize the Federal Bureau of Investigation to obtain certain telephone subscriber information.

H.R. 239. An act to amend the Stock Raising Homestead Act to resolve certain problems regarding subsurface estates, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 164. An act 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.

S. 252. An act to provide for certain land exchanges in the State of Idaho, and for other purposes.

S. 662. An act to amend title 38, United States Code, and title XIX of the Social Security Act to make technical corrections relating to the Veterans Health Care Act of 1992.

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 providing 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 S. Williams, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution.

S.J. Res. 53. Joint resolution designating March 1993 and March 1994 both as "Women's History Month."

At 4:45 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill; without amendment:

S. 284. An act to extend the suspended implementation of certain requirements of the food stamp program on Indian reservations, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 284. An act to extend the suspended implementation of certain requirements of the food stamp program on Indian reservations, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

At 7:51 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the resolution (H. Con. Res. 64) entitled "Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1994, 1995, 1996, 1997, and 1998.".

MEASURE REFERRED

The following measue, previously received from the House of Representatives for concurrence, was read, and referred as indicated:

H.R. 175. An Act to amend title 18, United States Code, to authorize the Federal Bureau of Investigation to obtain certain telephone subscriber information; to the Committee on the Judiciary.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States, the following enrolled bill:

On March 31, 1993:

S. 284. An act to extend the suspended implementation of certain requirements of the food stamp program on Indian reservations, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-697. A communication from the Chairman of the Defense Base Closure and Realignment Commission, transmitting, pursuant to law, notice of documentation of certified material relative to the Navy's Base Structure Data Base; to the Committee on Armed Services.

EC-698. A communication from the Principal Deputy Assistant Secretary of Defense (Production and Logistics), transmitting, pursuant to law, a report relative to strategic and critical materials; to the Committee on Armed Services.

EC-699. A communication from the Acting Assistant Secretary of Energy (Environmental Restoration and Waste Management), transmitting, pursuant to law, a notice of delay in submission of a report on research activities for fiscal year 1992; to the Committee on Armed Services.

EC-700. A communication from the Under Secretary of Defense (Acquisition), transmitting, pursuant to law, a report on the Foreign Comparative Testing Program for fiscal year 1992; to the Committee on Armed Services.

EC-701. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, a report relative to the enforcement of the Fair Debt Collection Practices Act; to the Committee on Banking, Housing and Urban Affairs.

EC-702. A communication from the Acting Director of the Resolution Trust Corporation, transmitting, pursuant to law, a report identifying and describing covered property of the Corporation as of September 30, 1992; to the Committee on Banking, Housing and Urban Affairs.

EC-703. A communication from the Acting Assistant Secretary (Domestic Finance) of the Department of the Treasury, transmitting, pursuant to law, a report relative to the permanent debt limit; to the Committee on Finance.

EC-704. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report relative to voluntary contributions made by the United States to International Organizations for the period April 1992 to September 1992; to the Committee on Foreign Relations.

EC-705. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the texts of an International Labor Organization convention and recommendation regarding workers' claims; to the Committee on Foreign Relations.

EC-706. A communication from the Chairman of the Merit System Protection Board, transmitting, pursuant to law, the annual report of the Board for fiscal year 1992; to the Committee on Governmental Affairs.

EC-707. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report relative to actions of the

Administration which involve costs in excess of $50,000; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following report of the committee was submitted:

By Mr. GLENN, from the Committee on Governmental Affairs:

Report entitled "Activities of the Committee on Governmental Affairs for 102nd Congress" (Rept. No. 103–32).

By Mr. BAUCUS, from the Committee on Environment and Public Works:

Report entitled "Report To the Senate On the Activities of the Committee on Environment and Public Works For the 102nd Congress" (Rept. No. 103–33).

By Mr. ROCKEFELLER, from the Committee on Veterans' Affairs:

Report entitled "Legislative and Oversight Activities During the 102nd Congress by the Senate Committee on Veterans' Affairs" (Rept. No. 103–34).

Report entitled "Legislative Activities of the Committee on Foreign Relations—102nd Congress" (Rept. 103–35).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

John M. Deutch, of Massachusetts, to be Under Secretary of Defense for Acquisition.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be Vice Admiral

Vice Adm. Roger F. Bacon, [redacted], U.S. Navy.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs:

Terrence R. Duvernay, Sr. of Georgia, to be Deputy Secretary of Housing and Urban Development.

Jean Nolan, of Maryland, to be an Assistant Secretary of Housing and Urban Development.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. GORTON (for himself and Mr. ROCKEFELLER):

S. 680. A bill to provide for toy safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GLENN (for himself, Mr. LEVIN, and Mr. AKAKA):

S. 681. A bill to amend chapter 35 of title 44, United States Code, relating to Government paperwork reduction, to modify the Federal regulatory review process, and for other purposes; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 682. A bill to allow the psychiatric or psychological examinations required under chapter 313 of title 18, United States Code, relating to offenders with mental disease or defect to be conducted by a clinical social worker; to the Committee on the Judiciary.

S. 683. A bill to amend title XVIII of the Social Security Act to provide improved reimbursement for clinical social worker services under the medicare program; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr. WELLSTONE):

S. 684. A bill to establish a national health plan, and for other purposes; to the Committee on Finance.

By Mr. PELL (by request):

S. 685. A bill to authorize appropriations for the American Folklife Center for fiscal years 1994, 1995, 1996, and 1997; to the Committee on Rules and Administration.

By Mr. KRUEGER (for himself, Mr. BREAUX, Mr. GRAHAM, and Mr. JOHNSTON):

S. 686. A bill to establish a Gulf of Mexico Commission and a Gulf of Mexico Program Office within the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

By Mr. ROCKEFELLER (for himself, Mr. GORTON, Mr. LIEBERMAN, Mr. DANFORTH, and Mr. DODD):

S. 687. A bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LAUTENBERG (for himself, Mr. PELL, Mr. METZENBAUM, and Mr. MURKOWSKI):

S.J. Res. 76. Joint resolution concerning the dedication of the United States Holocaust Memorial Museum; to the Committee on the Judiciary.

By Mr. HATCH:

S.J. Res. 77. Joint resolution to designate the week of April 18, 1993, through April 24, 1993, as "International Student Awareness Week"; to the Committee on the Judiciary.

By Mr. MURKOWSKI (for himself, Mr. PRYOR, and Mr. BUMPERS):

S.J. Res. 78. Joint resolution designating the beach at 53 degrees 53'51"N, 166 degrees 34'15"W to 53 degrees 53'48"N, 166 degrees 34'21"W on Hog Island, which lies in the Northeast Bay of Unalaska, Alaska as "Arkansas Beach" in commemoration of the 206th regiment of the National Guard, who served during the Japanese attack on Dutch Harbor, Unalaska on June 3 and 4, 1942; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PRYOR:

S. Res. 85. Resolution to authorize the printing of additional copies of a Senate report entitled "Developments in Aging: 1992"; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON (for himself and Mr. ROCKEFELLER):

S. 680. A bill to provide for toy safety and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE CHILD SAFETY PROTECTION ACT

• Mr. GORTON. Mr. President, today I am introducing the Child Safety Protection Act. I am pleased to be joined by another member of the Senate Commerce Committee, Senator ROCKEFELLER. This legislation will establish warning labels for the packaging of toys that contain small and dangerous parts, establish minimum choke-proof size requirements for balls intended for children under the age of 3, and it will create national mandatory performance standards for bicycle helmets.

Earlier this month, an identical measure introduced by Congresswoman CARDISS COLLINS passed in the House by an overwhelming margin of 362–38. Clearly, this legislation has great support and deserves immediate consideration.

According to the Consumer Product Safety Commission, in each year between 1980 and 1988, 3,200 children were rushed to hospital emergency rooms for toy-related ingestion and aspiration injuries. And in the years between 1980 and 1991, 186 children choked to death on balloons, marbles, and small balls.

Young children have an instinctive desire to put everything within reach into their mouth. More often than not, this is harmless. But when small children reach for a fire engine whose ladder is removable, or a small ball that looks like candy, that seemingly harmless toy may end up seriously injuring or killing the child. Too often, it is hard for a parent to tell if a toy, in its sealed package, has small pieces that are potentially dangerous.

While some toy manufacturers do label toys with small parts, each toy is labeled differently. It isn't clear to the consumer that the product may threaten their child's safety. By setting forth one uniform label that is clear and conspicuous, parents can easily tell if a toy's small parts present a hazard.

This measure is based on the expert staff recommendations of the Consumer Product Safety Commission after an extensive study of the problem. Unfortunately, the CPSC Commissioners chose to reject its own staff's recommendations and voted to terminate its rulemaking.

The CPSC would not rule on a warning label for toys with small parts contending that parents allow their chil-

dren to play with toys that are intended for older children—which may have small parts—because they think that the age designation concerns the child's intellectual capability, rather than the child's safety.

And yet, this type of warning label would tell consumers, in precisely clear terms, that these toys are not intended for small children because they pose a very real safety threat, and not because the child is not intellectually ready for them.

The CPSC also said that they would not rule on the application of choking warning labels on balloons, because the labeling would apply to only 64 percent of the balloons sold each year. I believe, however, that 64 percent of the parents who tragically lost a child last year would have been grateful for this type of warning label on the package.

The second part of this legislation addresses the need for uniform bicycle helmet performance standards.

Tragically, 1,200 people die in bicycle-related accidents each year including 400 children. In 1990, an estimated 383,459 children up to 14 years of age were treated in emergency rooms for bike-related injuries; 75 percent of all cyclists' deaths involved head injuries and 70 percent of all hospitalized cyclists are treated for head trauma.

What I find even more distressing is that these tragedies are preventable. According to a study done in my State by Harborview Medical Center and published in the New England Journal, a solution as simple as wearing a bike helmet can reduce the risk of head injury by 85 percent and the risk of brain injury by almost 90 percent.

The message is clear, bicycle helmets that are designed and built properly save lives.

While only 5 percent of children nationwide use bicycle helmets, more people and communities are taking measures to encourage and require helmet use. In fact, just this month, a new law in portions of King County went into effect requiring all bike riders, adults, as well as children, to wear bike helmets. Legislation is pending in our State legislature to pass a statewide measure. While these measures are very commendable, it is troubling that we have no way of knowing whether or not all helmets will really work when put to test.

Two organizations have set forth voluntary bicycle helmet performance standards. Many helmets sold today, such as those sold by Pro-Tech of Kent, WA, do meet the voluntary standards and provide fine protection. These reputable companies like Pro-Tech are not the problem; unfortunately, we do hear evidence that some bike helmets, primarily those imported from abroad, may not meet the voluntary standards even if they are so labeled. This is why we need Federal standards to ensure compliance. People who buy bike helmets for their children or for their own use deserve to know that the helmet will perform in an accident.

Four years of delay since the CPSC first began studying the issues of toy safety and bike helmet standards have meant 4 years of preventable, unnecessary childhood deaths. I can't begin to imagine the grief that a parent feels over the loss of their child—but if we can take steps to prevent these tragedies, it is imperative that we do so.

The Child Safety Protection Act is supported by the major consumer groups and by the Safe Kids campaign. It is critically important to thousands of parents and consumers, and I urge my colleagues to give it their full support.

I ask unanimous consent that the text of the bill be placed in the RECORD.

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

S. 680

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 "Child Safety Protection Act".

SEC. 2. REQUIREMENTS FOR LABELING AND BANNING.

(a) TOYS OR GAMES FOR CHILDREN WHO ARE AT LEAST 3.—

(1) REQUIREMENT.—The packaging of any toy or game intended for use by children who are at least 3 years old but not older than 6 years or such other upper age limit as the Commission may determine which may not be less than 5 years old, any descriptive materials which accompany such toy or game, and the bin, container for retail display, or vending machine from which it is dispensed shall bear or contain the cautionary label described in paragraph (2) if the toy or game—

(A) is manufactured for sale, offered for sale, or distributed in commerce in the United States, and

(B) includes a small part, as defined by the Commission.

In the case of such a toy or game dispensed from a vending machine, the packaging of such toy or game shall not be required to bear the cautionary label described in paragraph (2).

(2) LABEL.—The cautionary label required paragraph (1) for a toy or game shall be as follows:

WARNING

CHOKING HAZARD—This toy has small parts.

Keep away from children under 3 years old.

(b) BALLOONS, SMALL BALLS, AND MARBLES AND TOYS AND GAMES.—

(1) REQUIREMENT.—In the case of any balloon, small ball intended for children 3 years of age or older, marble intended for children 3 years of age or older, or any toy or game which contains such a balloon, small ball, or marble, which is manufactured for sale, offered for sale, or distributed in commerce in the United States—

(A) the packaging of such balloon, small ball, or marble or toy or game,

(B) any descriptive materials which accompany such balloon, small ball, or marble or toy or game, and

(C) the bin or container for retail display of a balloon, small ball, or marble or toy or game or the vending machine from which the balloon, small ball, or marble or toy or game is dispensed,

shall contain the cautionary label described in paragraph (2). In the case of such a balloon, small ball, or marble or toy or game dispensed from a vending machine, the packaging of such a balloon, small ball, or marble or toy or game shall not be required to bear the cautionary label described in paragraph (2).

(2) LABEL.—The cautionary label required under paragraph (1) for a balloon, small ball, marble, or toy or game shall be as follows:

(A) BALLOONS.—

WARNING

Children under 8 can CHOKE TO DEATH on uninflated or broken balloons.

Adult supervision required.

Keep uninflated balloons from children. Discard broken balloons at once.

(B) SMALL BALLS.—

WARNING

CHOKING HAZARD—This toy is or has a small ball that presents a choking hazard.

Keep away from children under 3 years old. Remind 3 and 4 years old to keep small balls out of mouth.

(C) MARBLES, TOYS, AND GAMES.—

WARNING

CHOKE HAZARD—This toy has small parts.

Keep away from children under 3 years old.

(3) DEFINITION.—For purposes of this subsection, a small ball is a ball with a diameter of 1.75 inches or less.

(c) GENERAL LABELING REQUIREMENTS.—All labeling required under subsection (a) or (b) for a toy or game or balloon, small ball, or marble shall—

(1) be prominently and conspicuously displayed on the packaging of the toy or game or balloon, small ball, or marble, on any descriptive materials which accompany the toy or game or balloon, small ball, or marble, and on the bin or container for retail display of the toy or game or balloon, small ball, or marble or the vending machine from which the toy or game or balloon, small ball, or marble is dispensed, and

(2) be visible and noticeable.

(d) ENFORCEMENT.—The requirements of subsections (a), (b), and (c) shall be considered to be a regulation issued by the

Consumer Product Safety Commission under section 3(b) of the Federal Hazardous Substances Act (15 U.S.C. 1262(b)).

(e) OTHER SMALL BALLS.—A small ball—

(1) intended for children under the age of 3, and

(2) with a diameter of 1.75 inches or less,

shall be considered a banned hazardous substance under section 2(q) of the Federal Hazardous Substances Act.

SEC. 3. REGULATIONS AND EFFECTIVE DATE.

(a) REGULATIONS.—The Consumer Product Safety Commission shall promulgate regulations, under section 553 of title 5, United States Code, for the implementation of section 2 by January 1, 1994. Subsections (f) through (i) of section 3 of the Federal Hazardous Substances Act (15 U.S.C 1262) shall not apply with respect to the issuance of regulations under this subsection.

(b) EFFECTIVE DATE.—Section 2 shall take effect February 1, 1994, with respect to products entered into commerce on or after that date.

SEC. 4. BICYCLE HELMETS.

(a) INITIAL STANDARD.—Within 9 months of the date of the enactment of this Act, all bicycle helmets manufactured after the expiration of such 9 months shall conform to—

(1) the ANSI standard designated Z90.4–1984,

(2) the 1990 Snell Memorial Foundation Standard for Protective Headgear for Use in Bicycling, B–90, or

(3) such other standard as the Commission determines is appropriate,

until a standard under subsection (b) takes effect. A helmet which does not conform to a standard identified in paragraph (1), (2), or (3) shall, until the standard takes effect under subsection (b), be considered in violation of a consumer product safety standard issued under the Consumer Product Safety Act.

(b) PROCEEDING.—Within 60 days of the date of the enactment of this Act, the Consumer Product Safety Commission shall begin a proceeding under section 553 of title 5, United States Code, to—

(1) harmonize the requirements of the ANSI standard, the Snell standard, and other appropriate standards into a standard of the Commission,

(2) include in the standard of the Commission provisions to protect against helmets rolling off the heads of riders,

(3) include in the standard of the Commission standards which address risk of injury to children, and

(4) include additional provisions as appropriate.

The standard developed under paragraphs (1) through (4) shall be considered a consumer product safety standard issued under the Consumer Product Safety Act and shall take effect 1 year after the date it is issued. Sections 7, 9, and 30(d) of the Consumer Product Safety Act (15 U.S.C. 2056, 2058, 2079(d)) shall not apply to any proceeding under this subsection and section 11 of such Act (15 U.S.C. 2060) shall not apply with respect to any standard issued as a result of such proceeding.●

● Mr. ROCKEFELLER. Mr. President, today it is my privilege to join Senator GORTON in introducing the Child Safety Protection Act. As the chairman of the National Commission on Children, I have worked to place children and their families at the top of the national agenda. This legislation is an example of meaningful action we can take in the U.S. Senate on behalf of America's families and children.

As many of us know, the first 3 years of a child's life are a period of intense and extraordinary development, a time to reach out and explore. All too often though, children are unintentionally exposed to toys or small parts of toys that pose a choking hazard. One reason for this is because there is currently no Federal standard for warning labels on toys. Many times if there is a warning label on a particular toy, it gets lost among the colorful pictures or artwork on the toy's packaging. Or, the warning is misunderstood by parents, who understandably believe that the words "for ages 3 and up" refer solely to the child's intellectual development and not to the physical dangers presented by small toys. The Child Safety Protection Act will help address these problems by requiring that clear, visible warning labels be placed on all toys that are small enough or contain parts small enough for a child to choke on, even if the toy is intended for children over 3.

Along with the warning label standards, this legislation requires that balls intended for children under 3 meet minimum chokeproof size requirements. If a manufacturer makes balls smaller than chokeproof size, this bill will prevent the marketing of these little balls to children under 3 who are put at risk when playing with them.

Another important element of this legislation establishes a minimum safety standard for bicycle helmets. Far too many bicycle deaths are caused by trauma to the head. To be specific, 70 percent of the approximately 1,200 bicycle deaths per year are caused by head trauma, according to the Consumer Product Safety Commission. In many cases, parents who believe they are purchasing safe bicycle helmets for their children are unknowingly spending their money for products that may not provide adequate protection. The current, voluntary helmet standards—while closely followed by some manufacturers—are simply not enough to adequately protect consumers and children. By establishing a mandatory national standard for bicycle helmets, this legislation will help assure that consumers, particularly children, are adequately protected.

As I have said before, there are no quick fixes to the many problems that threaten the lives and safety of so many of America's young people. But solutions are within reach, and the Child Safety Protection Act is part of that effort. It is another step—not a giant one, but another meaningful step we can take in the U.S. Senate on behalf of America's children and families. It is an action that they richly deserve, and I urge my Senate colleagues to support this legislation.●

By Mr. GLENN (for himself, Mr. LEVIN, and Mr. AKAKA):

S. 681. A bill to amend chapter 35 of title 44, United States Code, relating to Government paperwork reduction, to modify the Federal regulatory review process, and for other purposes; to the Committee on Governmental Affairs.

PAPERWORK REDUCTION REAUTHORIZATION ACT OF 1993

● Mr. GLENN. Mr. President, I introduce the Paperwork Reduction Reauthorization Act of 1993. The primary purpose of this legislation is, as the name suggests, to reauthorize the Paperwork Reduction Act of 1980. As my colleagues know, this is the very important law that we all depend on to cut Government redtape and to ensure value for the billions of dollars the Federal Government spends on information activities.

As chairman of the Committee on Governmental Affairs, I can say that this legislation has the highest priority. Its speedy consideration and passage is needed to revitalize efforts to reduce paperwork burdens on the American public and to reduce wasteful spending on information and information technology that the Government can't use or doesn't need.

The bill I introduce today strengthens the act's important purposes and will help us get beyond the controversies that have dogged the act and its implementing office, OMB's Office of Information and Regulatory Affairs [OIRA]. The Paperwork Reduction Reauthorization Act of 1993:

First, reauthorizes appropriations for OIRA for 4 years—$8 million for fiscal years 1993, 1994, 1995 and 1996; second, strengthens agency and OIRA efforts to reduce paperwork burdens on the public; third, improves the management of Federal information resources [IRM]; and fourth, establishes basic public accountability procedures for Presidential regulatory review.

I believe that with this legislation we can show the American people that we are making real progress toward cutting out redtape and improving Government information practices. Moreover, I am confident that we can reach this goal because of the commitment to this important issue that I see from the new administration. Let me add that I look forward to working with my colleagues, especially Senator NUNN and Senator BUMPERS, who are also strong proponents of paperwork reduction, to ensure that we quickly produce an effective reauthorization bill that addresses everyone's concerns.

OIRA'S MISSION

Since the Paperwork Reduction Act was first implemented in 1981, OIRA has served an essential function as the Federal paperwork cop. The act gave OIRA the power necessary to force Federal agencies to cut back on the paperwork burdens they impose on the American public. And that is no inconsiderable burden. The Chamber of Commerce estimates that Federal Govern-

ment paperwork costs our Nation $325 billion annually. This is up from the $100 billion reported by the Commission on Federal Paperwork in 1977.

These figures are not just figments of some economist's imagination. The dollars are very real. In my campaign for reelection to the Senate last year, I heard, more than I have heard before, the repeated, and very specific, complaints of small and large businesses alike, hurting under the burdens of Government redtape—forms, surveys, reporting and recordkeeping requirements—they all add up. If we are to create change in Government and get our country on the road to renewed leadership in our global economy, we must make sure that we here in Washington are not a drag on our people. OIRA and a reauthorized Paperwork Reduction Act are essential to that effort.

The legislation I am introducing today maintains and strengthens OIRA's strong central paperwork reduction role. In addition to the paperwork clearance process, the bill establishes new requirements for OIRA to proactively identify initiatives to reduce paperwork burdens. OIRA should not simply wait passively for agencies to propose new paperwork requirements, it should work with agencies to find new ways to fulfill program missions while reducing redtape. My bill also requires OIRA to work with the Office of Federal Procurement Policy to cut paperwork burdens associated with Government purchasing. As many businesses know, trying to do business with the Federal Government can be a nightmare in bureaucratic requirements.

My legislation sharpens OIRA's focus on the reduction of paperwork burdens on those most heavily burdened, like individuals, small businesses, educational institutions, non-profit organizations, and State and local governments. Unfortunately, it is no secret that over the last 12 years, OIRA targeted health, safety and environmental regulations, while letting up on other redtape requirements that are terribly burdensome on the average American individual or business or college. Health care paperwork, tax paperwork, Government contracting paperwork, Government grant paperwork—the list goes on and on. And I think my colleagues will agree that OIRA can and should do more in all these areas. It's only fair.

Paperwork reduction is, of course, more than just cutting out individual forms and requirements. The Federal Paperwork Commission had it right in 1977 when it reported to Congress that,

> Not only are specific rules, forms and procedures not working properly, but also that the organizational structures, management policies and operating systems for delivering citizen services and benefits are often obsolete, weak, or misdirected in emphasis and priority. These flaws and deficiencies are the root causes of excessive paperwork and red tape. * * * Thus the real culprit of the paperwork burden is mismanagement of information resources.—Information Resources Management: A Report of the Commission on Federal Paperwork, September 9, 1977, pp. 10, 12.

It was precisely because of the Commission's recommendations that Congress in 1980 passed the Paperwork Reduction Act to create a single information resources management approach by which to improve the Federal Government's management of its information activities. Congress agreed with the Commission, that IRM can,

> Make a significant impact in reducing the economic burdens of paperwork on the public by reducing duplication, clearly justifying information needs, improving reporting forms and collection processes, and effectively and efficiently utilizing modern information handling techniques and technologies.—ibid., p. 16.

Given the growing use of computers and other information technology by the government, the management job and the resources at risk are vast. As the General Accounting Office recently reported:

> The Federal government spends over $20 billion annually on new [information] technology—and tens of billions more running current systems. Yet agency after agency still lacks critical information needed to analyze programmatic issues, manage agency resources, control expenditures, and demonstrate measurable results. Moreover, the government is falling farther behind the private sector in using information technology to streamline its operations and improve service to the public.—GAO/OCG-93-5TR, p.4, December 1992.

There is no way around this problem. The information revolution is giving the Government new and more efficient ways of doing business. Congress gave OIRA the tools it needs in the Paperwork Reduction Act to ensure that indeed the Government realizes the benefits of this new technology and at the same time minimizes its burdens on the American public. GAO's report, however, shows that we have not had enough progress. Simply put, OIRA has not been able to fulfill its role as IRM manager—partly because it has not had the resources or support from the top, and partly because its focus has been elsewhere, namely paperwork reduction as a part of its regulatory review operation.

This cannot continue. Too much money and Government effort is at risk. OIRA simply needs to do a better job. Thus, my legislation authorizes more funding for OIRA. It also clarifies and streamlines the Act's IRM mandates to ensure that OIRA can do its job better, and so that agencies will understand that they too have a responsibility to manage their information resources effectively and efficiently in order to better perform their public missions.

OIRA'S CONTROVERSY

As my colleagues know, there is more to OIRA and the Paperwork Reduction Act than merely management improvement. The reason is that for the past 12 years, OIRA's paperwork reduction work has taken place in the context of the regulatory review authority given to OIRA by Presidential Executive orders. This responsibility, important as it is, added a political element that created most of the controversy that has dogged OIRA since 1981.

Indeed, as many of my colleagues remember, it was disagreement about the extent of public disclosure to be provided in OMB regulatory review that killed the 1990 compromise that I had reached with the administration to reauthorize the act. Yes, matters have at times gotten so complicated that even a bipartisan compromise between the Bush administration and Democrats and Republicans on the Senate Governmental Affairs Committee and the House Government Operations Committee was not enough to get the act reauthorized. Moreover, when this disagreement was locked into place by the emergence of the Council on Competitiveness, prospects for reauthorization effectively disappeared altogether.

Reauthorization was also complicated by the controversy and confusion that arose in the aftermath of the 1990 Supreme Court decision in Dole versus United Steelworkers, regarding OIRA's paperwork review of OSHA's Hazard Communication Standard. As I described in a recent statement to the Senate on March 4, 1993, given the criticisms of OIRA's use of its regulatory review power, it was no surprise that OIRA's controversial record would color the question of whether OIRA could use its statutory paperwork clearance authority to review regulatory information disclosure requirements. As I also said in my recent statement, I believe now is the time to return to this issue and develop a uniform way of reviewing information disclosure as well as collection requirements. I look forward to working with my colleagues to crafting this solution.

I am also hopeful that we can move forward quickly, because we now have a new administration, equally committed to paperwork reduction and equally committed to the need for centralized regulatory review—and I applaud and support both. At the same time, the new administration is more committed to sunshine, and more willing to institutionalize the public accountability procedures that many of my colleagues in both Houses have been seeking for many years. To that end, the legislation I introduce today contains as a title II, a set of regulatory review sunshine procedures. As the summary of the bill attached to my statement states, the sunshine provisions are identical to S. 168, which I introduced earlier this Congress, and is derived from legislation of the 102d Congress (S. 1942), which was reported favorably

by the Committee on Governmental Affairs by a bipartisan vote.

The regulatory review sunshine provisions require disclosure of regulatory review information after the end of review, including written and oral communications with nongovernmental parties, and written communications between the regulatory reviewer and the rulemaking agency. The bill does not require disclosure of oral communications between the reviewer and the agency. Deadlines are also created. Finally, conversations with the President, the Vice President, or Cabinet members are exempted from the disclosure requirements.

CONCLUSION

Mr. President, I am eager to work with my colleagues and the new administration to pass effective paperwork reduction reauthorization legislation. Together we can cut redtape and improve Government operations. I am also convinced that the successful reauthorization of the act will get us beyond the politicization that has dogged OIRA and this issue for the last decade.

I ask that the text of the Paperwork Reduction Reauthorization Act of 1993 and a summary be inserted into the RECORD, following my remarks.

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

S. 681

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 "Paperwork Reduction Reauthorization Act of 1993".

TITLE I—PAPERWORK REDUCTION AND INFORMATION RESOURCES MANAGEMENT BY FEDERAL DEPARTMENTS AND AGENCIES

SEC. 101. PURPOSE.

Section 3501 of title 44, United States Code, is amended to read as follows:

"§ 3501. Purpose

"The purpose of this chapter is to—

"(1) ensure the greatest possible public benefit from information collected, maintained, used, disseminated, and retained by the Federal Government;

"(2) eliminate any unnecessary Federal paperwork burden for individuals, small businesses, educational institutions, nonprofit organizations, State and local governments, and other persons;

"(3) minimize the cost to the Federal Government of collecting, maintaining, using, retaining, and disseminating information;

"(4) emphasize Federal information resources management as a comprehensive and integrated process for improving the productivity, efficiency, and effectiveness of Government programs, including service delivery to the public;

"(5) improve the quality and use of Federal information to strengthen decisionmaking, accountability, and openness in Government and society;

"(6) ensure that information technology is acquired, used, and managed consistent with the purposes of chapter 35 of title 44, United States Code, to improve performance of agency missions;

"(7) coordinate, integrate, and to the extent practicable and appropriate, make uniform Federal information policies and practices;

"(8) improve the accountability of the Office of Management and Budget and all Federal agencies to Congress and to the public for the effective implementation of this chapter;

"(9) ensure that the collection, maintenance, use, dissemination, and retention of information by the Federal Government is consistent with applicable laws, including laws relating to—

"(A) confidentiality of information, including section 552a of title 5, United States Code;

"(B) security of information, including the Computer Security Act of 1987 (Public Law 100-235); and

"(C) access to information, including section 552 of title 5, United States Code;

"(10) encourage dissemination of public information through a diversity of public and private providers, consistent with the Government's obligation to disseminate public information;

"(11) provide for the dissemination of public information on a timely basis, on equitable terms, and in a manner that promotes the usefulness of the information to the public and makes effective use of information technology; and

"(12) strengthen the partnership between the Federal Government and State and local governments in the collection and sharing of government information.".

SEC. 102. DEFINITIONS.

Section 3502 of title 44, United States Code, is amended—

(1) by striking out paragraphs (2), (5), (6), (7), (9), (12), and (17);

(2) by redesignating paragraphs (3), (4), (8), (10), (11), (13), (14), (15), and (16) as paragraphs (2), (3), (4), (5), (6), (7), (8), (10), and (11), respectively;

(3) by amending paragraph (2) (as redesignated by paragraph (2) of this section) by inserting before the semicolon a comma and "including the resources expended for reviewing instructions, searching data sources, obtaining, compiling, and maintaining the necessary data, completing and reviewing the collection of information, and transmitting or otherwise disclosing the information involved";

(4) by amending paragraph (3) (as redesignated by paragraph (2) of this section) by substituting "regardless of form or format" for "through the use of written report forms, application forms, schedules, questionnaires, reporting or recordkeeping requirements, or other similar methods";

(5) by amending paragraph (6) (as redesignated by paragraph (2) of this section) by inserting "regardless of form or format" after "method";

(6) by amending paragraph (7) (as redesignated by paragraph (2) of this section) to read as follows:

"(7) the term 'information resources management' means the process of systematically defining and meeting information needs to accomplish agency missions in the context of the information life cycle, which includes the stages of information from creation or collection through final disposition;";

(7) by amending paragraph (8) (as redesignated by paragraph (2) of this section) to read as follows:

"(8) the term 'information system' means an organized and distinct set of processes and technology, automated or manual, that collect, process, distribute or store information;";

(8) by inserting after paragraph (8) (as redesignated by paragraph (2) of this section) the following new paragraph:

"(9) the term 'information technology' has the same meaning as the term 'automatic data processing equipment' as defined under section 111(a)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(a)(2)), but does not include any system or equipment, the function, operation or use of which—

"(A) involves intelligence activities;

"(B) involves cryptologic activities related to national security;

"(C) involves the direct command and control of military forces;

"(D) involves equipment which is an integral part of a weapon or weapons system; or

"(E) is critical to the direct fulfillment of military or intelligence missions, provided that this exclusion shall not include information technology used for routine administrative and business applications such as payroll, finance, logistics, and personnel management;"; and

(9) by inserting after paragraph (11) (as redesignated by paragraph (2) of this section) the following new paragraph:

"(12) the term 'public information' means any information, regardless of form or format, that an agency discloses, disseminates, or makes available to the public pursuant to law, rule, regulation, policy, or practice, and any part of that information;".

SEC. 103. OFFICE OF INFORMATION AND REGULATORY AFFAIRS.

Section 3503 of title 44, United States Code, is amended—

(1) in subsection (b), in the last sentence by inserting "and information resources management" after "policy"; and

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

"(c) The Administrator and employees of the Office of Information and Regulatory Affairs shall be appointed with special attention to professional qualifications required to administer the functions of the Office described under this chapter. Such qualifications shall include relevant education, work experience, or related professional activities.".

SEC. 104. AUTHORITY AND FUNCTIONS OF THE DIRECTOR.

(a) IN GENERAL.—Section 3504(a) of title 44, United States Code, is amended in the first sentence:

(1) by striking out "and implement" and inserting in lieu thereof a comma and "implement, and coordinate";

(2) by inserting ", public access to information," after "dissemination of information"; and

(3) by striking out "automatic data processing, telecommunications, and other".

(b) GENERAL INFORMATION POLICY FUNCTIONS.—Section 3504(b) of title 44, United States Code, is amended:

(1) in the first sentence by inserting "be to oversee the use of information and information technology to improve the efficiency and effectiveness of Government operations to serve agency missions, including service delivery to the public, and shall" after "the Director shall";

(2) by amending paragraph (1) to read as follows:

"(1) developing, implementing and updating uniform information resources management policies and overseeing the development of information resources management principles, standards, guidelines, and goals and the achievement of those goals;";

(3) by amending paragraph (4) to read as follows:

"(4) promoting greater sharing of information within and between agencies, and dissemination of and access to public information, including through the use of the Federal Information Locator System, the review of budget proposals, and requiring the utilization of common standards for information collection, storage, processing and communication, including for network inter connectivity and interoperability;";

(4) in paragraph (5) by striking out "information management practices to determine their adequacy and efficiency" and inserting in lieu thereof "information resources management practices to determine the adequacy, efficiency, and effectiveness in serving agency mission goals";

(5) by amending paragraph (6) to read as follows:

"(6) overseeing planning for, and conduct of, research and training with respect to Federal information resources management; and"; and

(6) by adding at the end thereof the following new paragraph:

"(7) coordinating the integration of all management of information functions and program functions through the approach of information resources management.".

(c) INFORMATION COLLECTION FUNCTIONS.—Section 3504(c) of title 44, United States Code, is amended—

(1) in paragraph (3)(C), by inserting "to the extent practicable, an estimate of its burden," after "to be used,";

(2) by striking out paragraphs (5), (6), and (7) and inserting in lieu thereof the following new paragraphs:

"(5) promoting the elimination of unnecessary burdens imposed through the collection of Federal information, with particular emphasis on those persons most heavily burdened, including small businesses, educational institutions, nonprofit organizations, and State and local governments, especially in the areas of Federal procurement, grant programs, Federal-State cooperative programs, Federal taxation, and United States international competitiveness; and

"(6) coordination with the Office of Federal Procurement Policy to address unnecessary paperwork burdens associated with Federal procurement.".

(d) STATISTICAL POLICY AND COORDINATION FUNCTIONS.—Section 3504(d) of title 44, United States Code, is amended:

(1) by striking out paragraphs (2) and (6);

(2) by redesignating paragraphs (1) and (7) as paragraphs (2) and (6), respectively;

(3) by inserting before paragraph (2) (as redesignated by paragraph (2) of this subsection) the following new paragraph:

"(1) coordinating the activities of the Federal statistical system in order to ensure its efficiency and effectiveness, and the integrity, objectivity, impartiality, usefulness, and confidentiality of Federal statistics;";

(4) in paragraph (4) by inserting "timely release of statistical data," after "dissemination,";

(5) in paragraph (6) (as redesignated under paragraph (2) of this subsection) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(6) by inserting at the end thereof the following new paragraph:

"(7) coordinating the participation of the United States in international statistical activities, including the development of comparable statistics.".

(e) RECORDS MANAGEMENT FUNCTIONS.—Section 3504(e)(3) of title 44, United States Code, is amended to read as follows:

"(3) overseeing the application of records management policies, principles, standards, and guidelines, including requirements for archiving information maintained in electronic format, in the planning and design of information systems.".

(f) INFORMATION TECHNOLOGY FUNCTIONS.—Section 3504(g) of title 44, United States Code, is amended to read as follows:

"(g) The Federal information technology functions of the Director shall include—

"(1) developing and implementing, in consultation with the Director of the National Institute of Standards and Technology and the Administrator of General Services, policies, principles, standards, and guidelines for information technology functions and activities of the Federal Government, including periodic audits of major information systems, and overseeing the development and implementation of standards under section 111(d) of the Federal Property and Administrative Services Act of 1949;

"(2) monitoring the effectiveness of, and compliance with, directives issued under sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 and reviewing proposed determinations under section 111(e) of such Act;

"(3) providing advice and guidance on the acquisition and use of information technology, and coordinating, through the review of budget proposals and other methods, agency proposals for acquisition and use of such equipment;

"(4) promoting the use of information technology by the Federal Government to improve the productivity, efficiency, and effectiveness of Federal programs, including dissemination of public information;

"(5) initiating and reviewing proposals for changes in legislation, regulations, and agency procedures to improve information technology practices, and informing the President and the Congress of the progress made therein; and

"(6) in cooperation with the Administrator of General Services, issue policy guidance for the establishment and oversight of the system by which each Federal agency shall initiate, approve, implement, and evaluate plans for major information system initiatives, including policy guidance for—

"(A) the establishment by each Federal agency having an annual information technology budget in excess of $50,000,000, a review committee on major information system initiatives, chaired by the agency head;

"(B) the required evaluative techniques and criteria to be used by such committees to—

"(i) estimate life cycle costs for that system;

"(ii) assess the economy, efficiency, effectiveness, risks and priority of proposed major system initiatives in relation to mission needs and alternative strategies; and

"(iii) assess the privacy, security, retention and disposition, and dissemination and access capabilities of that system;

"(C) the required independent cost evaluations, as appropriate, of data developed under subparagraph (B);

"(D) requiring that information (other than classified information) which is developed under subparagraph (B) and which pertains to any major information system initiative shall be included with the agency's annual budget request if any funds included in that request shall be used for the planning, acquisition, operation, or support of such system, except that such information shall be withheld from public disclosure if it would adversely affect the integrity of any related procurement through the release of proprietary or procurement sensitive information; and

"(E) the establishment of criteria and mechanisms for periodic evaluation of information systems to assess compatibility with assumptions and findings made under subparagraph (B) which relate to that system, including whether projected benefits have been achieved.".

(g) INFORMATION DISSEMINATION FUNCTIONS.—Section 3504 of title 44, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i) of section 3507, and adding such redesignated subsection (i) at the end of section 3507 (as amended by section 107 of this Act);

(2) by striking such redesignated subsection (i) from the end of such section 3504; and

(3) by adding after subsection (g) of section 3504 the following new subsection:

"(h) The information dissemination functions of the Director shall include issuing policy guidance, after notice and receipt of public comment, that shall—

"(1) be applied by Federal agencies disseminating public information;

"(2) be consistent with and promote the purposes of this chapter, including the effective use of information technology to further public access to public information;

"(3) apply to all significant public information, regardless of the form or format in which public information is disseminated; and

"(4) supplement and not supersede the provisions of section 552 of title 5, or other laws specifically relating to the disclosure or dissemination of Government information.".

SEC. 105. ASSIGNMENT OF TASKS AND DEADLINES.

Section 3505 of title 44, United States Code, is amended to read as follows: "In carrying out the functions under this chapter, the Director shall—

"(1) in consultation with agency heads, set annual goals—

"(A) to improve planning for the collection of information in order to reduce burdens imposed on the public, including the elimination of duplication in information collection requests; and

"(B) for improving information resources management in ways that increase the productivity, efficiency, and effectiveness of Federal programs, including service delivery to the public;

"(2) conduct pilot projects to test alternative information practices to fulfill the purposes of this chapter, including testing the feasibility and value of changes in Federal policies, rules and procedures to improve information practices and related activities;

"(3) establish an Interagency Council on Statistical Policy headed by the Administrator of the Office of Information and Regulatory Affairs and consisting of the heads of the major statistical programs and, under rotating membership, representatives of other statistical agencies, to advise and assist the Director in carrying out the functions under section 3504(d);

"(4) develop and annually revise, in consultation with the Administrator of General Services, the Director of the National Institute of Standards and Technology, the Director of the Office of Science and Technology Policy, and the Archivist of the United States, a five-year Governmentwide plan for information resources management, which shall include—

"(A) plans, arrived at after consultation with the advisory committee established under section 3517(b), for reducing information burdens on the public and for increasing productivity, efficiency and effectiveness of Federal programs, including service delivery to the public, through improved information resources management;

"(B) plans, arrived at after consultation with the advisory committee established under section 3517(b), for enhancing public access, using electronic and other formats, to Government information, including by dissemination of public information;

"(C) plans for meeting the information technology needs of the Federal Government in accordance with the requirements of sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757 and 759), and the purposes of this chapter;

"(D) a description of management controls to—

"(i) integrate the management of specific information functions into a comprehensive process of information resources management; and

"(ii) coordinate information resources management functions with other agency program and management functions to improve efficiency and effectiveness of operations to serve agency missions, including service delivery to the public; and

"(E) a description of progress on the implementation of the plan or applicable revised plan; and

"(5) oversee agency audits of all major information systems and assign responsibility for conducting Governmentwide or multiagency audits, except the Director shall not assign such responsibility for the audit of major information systems used for the conduct of criminal investigations or intelligence activities as defined in section 4-206 of Executive Order No. 12036, issued January 24, 1978, or successor orders, or for cryptologic activities that are communications security activities.".

SEC. 106. FEDERAL AGENCY RESPONSIBILITIES.

Section 3506 of title 44, United States Code, is amended to read as follows:

"§3506. Federal agency responsibilities

"(a) The head of each agency shall be responsible for carrying out the agency's information resources management activities in a way that improves agency productivity, efficiency, and effectiveness, including service delivery to the public, and for complying with the information policies, principles, standards, and guidelines prescribed by the Director.

"(b) The head of each agency shall designate a senior official or, in the case of military departments, and the Office of the Secretary of Defense, officials who shall report directly to such agency head to carry out the responsibilities of the agency under this chapter. If more than one official is appointed for the military departments the respective duties of the officials shall be clearly delineated. In making these appointments, the agency head shall give due regard to the professional qualifications and skills needed to efficiently and effectively carry out the responsibilities of the agency under this chapter.

"(c) Each agency's information resources management responsibility shall include—

"(1) developing information systems, processes and procedures that—

"(A) reduce information burdens on the public and increase program efficiency and effectiveness;

"(B) maximize the utility and timely release of information to all users within and outside the agency, including the public where appropriate; and

"(C) enhance the efficient sharing of information, including in electronic format, within and between agencies consistent with law;

"(2) developing and annually revising a five-year information resources management plan, in accordance with guidance by the Director, that shall reflect an ongoing process to—

"(A) ensure that information resources management operations and decisions are integrated with organizational planning, budget, financial management, human resources management and program decisions;

"(B) develop and maintain an integrated and controlled process of information systems design, development, operations, and evaluation, including the coordination of specific information functions;

"(C) develop, in cooperation with the agency Chief Financial Officer or comparable official, a full and accurate accounting for information technology expenditures and related expenses; and

"(D) establish goals for improving information resources management's contribution to program productivity, efficiency, and effectiveness, methods for measuring progress toward those goals, and clear roles and responsibilities for achieving those goals;

"(3) maintaining a current and complete inventory of the agency's information resources, including its major information systems and related technology for use in supporting agency information activities and developing directories of resources available to the Government and the public consistent with the requirements of section 3511 of this chapter;

"(4) establishing an agencywide program of information resources management and implementing applicable Governmentwide and agency information policies and requirements issued pursuant to authority under this chapter and any other relevant laws;

"(5) periodically evaluating and, as needed, eliminating duplicative or unnecessary information and information systems, and improving the integrity, quality, and utility of information and information systems maintained by the agency, including capabilities for ensuring dissemination of public information, public access to Government information, and protections for privacy, confidentiality and security; and

"(6) in consultation with the Director and the Director of the Office of Personnel Management, conducting formalized training programs to educate agency program and management officials about information resources management.

"(d) Each agency's paperwork control responsibility shall include—

"(1) developing procedures for assessing the paperwork and reporting burden of proposed legislation affecting such agency;

"(2) ensuring that information collection requests required by law or to obtain a benefit, and submitted to nine or fewer persons, contain a statement to inform the person receiving the request that the request is not subject to the requirements of section 3507; and

"(3) establishing a process for the review of each collection of information before it is submitted to the Director for review and approval under this chapter, that is sufficiently independent of program responsibilities to evaluate fairly whether each collection of information is necessary for the proper performance of the agency's mission, including whether it has practical utility.

"(e) Each agency's records management responsibility shall include applying records management policies, principles, standards, and guidelines, including requirements for archiving information maintained in electronic format, in the planning, design, and operation of information systems.

"(f) Each agency's information technology responsibility shall include the assignment to the official designated under subsection (b) the responsibility for the conduct of and accountability for any acquisitions made pursuant to a delegation of authority under section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759).

"(g) Each agency's information dissemination responsibility shall include promoting public access to public information by establishing and maintaining systems for dissemination of information that shall—

"(1) ensure that the public has timely and equitable access to the agency's public information and that the agency disseminates public information in an efficient, effective, and economical manner;

"(2) plan and budget for information dissemination at the time information is created or collected, and at other appropriate steps during the information life cycle; and

"(3) provide to the Superintendent of Documents for distribution to the Federal Depository Library Program all publications regardless of format required by chapter 19 of this title to be made available.

"(h) When providing for the dissemination of significant public information, an agency—

"(1) to the greatest extent practicable, shall disseminate in usable electronic formats (in whole and in part, and along with available software, indices, and documentation) public information maintained in electronic formats;

"(2) shall utilize the Government Printing Office for the production and dissemination of information, to the extent provided by chapters 5, 17, and 19 of this title;

"(3) before taking any action to initiate, terminate, or significantly modify the dissemination of public information, shall—

"(A) solicit and consider public comments on the proposed action; and

"(B) provide notice to the Superintendent of Documents and otherwise comply with the requirements of section 1710 of this title;

"(4) may reduce or waive any user fees for disseminating public information if the agency determines that the dissemination may enhance an agency mission;

"(5) except where specifically authorized by statute, shall not—

"(A) establish an exclusive, restricted, or other distribution arrangement that interferes with timely and equitable availability of public information to the public;

"(B) restrict or regulate the use, resale, or redissemination of public information by the public;

"(C) charge fees or royalties for resale or redissemination of public information;

"(D) establish user fees for public information that exceed the cost of dissemination; or

"(E) establish a new information sales and dissemination program without providing advance notice to the Public Printer; and

"(6) in determining how to fulfill its public information dissemination functions, shall consider—

"(A) whether dissemination is required by law;

"(B) whether dissemination is necessary for the proper performance of the functions of the agency;

"(C) whether disseminating public information would assist in public oversight of

agency operations or would promote the general social or economic welfare of the United States;

"(D) if information available from other public or private sources is equivalent to the agency public information and reasonably achieves the dissemination objectives of the agency;

"(E) dissemination methods that will maximize the utility of the information to the public; and

"(F) the economy and efficiency of Government operations.".

SEC. 107. PUBLIC INFORMATION COLLECTION ACTIVITIES—SUBMISSION TO DIRECTOR; APPROVAL AND DELEGATION.

Section 3507 of title 44, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1) by inserting "review under the process established by section 3506(d) and" after "actions, including";

(B) in paragraph (2)(B) by—

(i) by inserting "a summary of the request," after "title for the information collection request,"; and

(ii) by striking out "; and" and inserting in lieu thereof ", and notice that comments may be submitted to the agency and the Director;"; and

(C) by redesignating paragraph (3) as paragraph (4) and inserting after paragraph (2) the following:

"(3) the agency provides, except as provided under subsection (g), at least 30 days for public comment to the agency and the Director after publication of notice in the Federal Register, and the agency and the Director consider comments received regarding the proposed collection of information; and";

(2) in subsection (b) in the first sentence by striking out "notify the agency involved of the decision to approve or disapprove the request and shall make such decisions, including an explanation thereof" and inserting in lieu thereof "but not, except as provided under subsection (g), before the 30-day public comment period has concluded, notify the agency involved of any decision regarding that request and shall make such decisions, including a detailed explanation thereof";

(3) in subsection (c)—

(A) in the first sentence by striking out "3504(h)" and inserting in lieu thereof "3507(i)"; and

(B) in the second sentence by striking out ", shall explain" and inserting in lieu thereof "and shall explain"; and

(4) by amending subsection (h) to read as follows:

"(h)(1) In carrying out reviews of information collection requests under this chapter, the Director shall—

"(A) maintain a public file for each information collection request under review, which shall include—

"(i) copies of any written communication to the Director or to any employee of the Office of Management and Budget from any person not employed by the Federal Government or from any agency concerning a proposed information collection request, and any written communication from the Director or employee of the Office to such person or agency concerning such proposal; and

"(ii) information about any written submission received by the Director or any employee of the Office of Management and Budget from an agency, including—

"(I) the name of the agency;

"(II) the title or name of the submission;

"(III) the date of receipt by the Office;

"(IV) the name of the principal desk officer within the Office who reviews the submission;

"(V) copies of all agency submissions to the Office, and a detailed written explanation of the reasons for any disapprovals or approvals with substantive changes made by the Office with respect to a submission, as required by this section; and

"(VI) any decision made by the Office with respect to the submission, including the date of any action taken by the Office;

"(B) notify the head of the appropriate agency of all meetings involving employees of the Office of Management and Budget and any person who is not an employee of the Federal Government, and provide the agency head, or the designee of the agency head, a reasonable opportunity to attend such meetings; and

"(C) consider public comments and other relevant material.

"(2) This subsection shall not require the public disclosure of any information which is protected at all times by procedures established for—

"(A) information which has been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept secret in the interest of national security or foreign policy, or

"(B) any communication between a person in the employ of the Office of Management and Budget and any other person in the employ of the Executive Office of the President.".

SEC. 108. DETERMINATION OF NECESSITY FOR INFORMATION; HEARING.

Section 3508 of title 44, United States Code, is amended—

(1) by striking out the second sentence and inserting in lieu thereof "Before making a determination the Director shall give interested persons at least thirty days in which to submit comments, as required under section 3507, and may give the agency and other interested persons an opportunity to be heard."; and

(2) in the third sentence by striking out "unnecessary" through the period and inserting in lieu thereof "unnecessary for the proper performance of the functions of the agency, including whether the information will have practical utility, the agency may not engage in the collection of the information.".

SEC. 109. FEDERAL INFORMATION LOCATOR SYSTEM.

Section 3511 of title 44, United States Code, is amended to read as follows:

"§ 3511. Establishment and operation of Federal Information Locator System

"(a) The Director shall maintain a publicly accessible comprehensive inventory of all Federal agency information collection requests.

"(b) The Director shall cause to be established and maintained an electronic Federal Information Locator System (hereafter in this section referred to as the 'system'), which shall identify the major information resources of each Federal agency, including significant internal and public information holdings, in order to assist agencies and the public in locating information.

"(c) In designing the system, the Director shall—

"(1) establish an interagency committee, in cooperation with the Director of the National Institute of Standards and Technology, to develop standards for agency locator systems to ensure compatability, promote information sharing, and uniform access by the public;

"(2) in consultation with the advisory committee established under section 3517(b), consider public access and other user needs;

"(3) designate one or more agencies to operate gateways or other access points to the system;

"(4) require the head of each agency to establish an agency information locator system; and

"(5) ensure that no information which is not public information is disclosed to the public.

"(d) The Director shall on an ongoing basis review the development and effectiveness of the system and make recommendations for improving the system, including mechanisms for improving public access to Federal agency public information.

"(e) The head of each agency shall take such action as is necessary to ensure the compliance of the agency with the directions of the Director under this section.".

SEC. 110. DIRECTOR REVIEW OF AGENCY ACTIVITIES; REPORTING; AGENCY RESPONSE.

Section 3513(a) of title 44, United States Code, is amended in the first sentence by striking out "information management" through the period and inserting in lieu thereof "the information resources management activities of each agency to ascertain their efficiency and effectiveness in helping to achieve program goals.".

SEC. 111. RESPONSIVENESS TO CONGRESS.

Section 3514(a) of title 44, United States Code, is amended—

(1) in paragraph (1) by striking out "management" and inserting in lieu thereof "resources management's contribution to improving agency productivity, efficiency, and effectiveness"; and

(2) by striking out paragraphs (2) through (10) and inserting in lieu thereof the following:

"(2) a summary of accomplishments and planned initiatives to improve Federal programs through information resources management, including specific actions to carry out any pilot projects described under section 3505(2) and each function described under section 3504, including—

"(A) with respect to information collection—

"(i) an analysis by agency, and by categories the Director finds useful and practicable, describing the estimated reporting hours required of persons by information collection requests, including to the extent practicable the direct budgetary costs of the agencies and identification of statutes and regulations which impose the greatest number of reporting hours;

"(ii) a tabulation of areas of duplication in agency information collection requests identified during the preceding year and efforts made to preclude the collection of duplicate information, including designations of central collection agencies;

"(iii) a list of each instance in which an agency engaged in the collection of information under the authority of section 3507(g) and an identification of each agency involved; and

"(iv) a description of initiatives to eliminate any unnecessary burden of Federal collections of information associated with individuals, small business, educational institutions, nonprofit organizations, and State and local governments, particularly with respect to any unnecessary burden associated with Federal procurement, grant programs, Federal taxation and United States international competitiveness;

"(B) with respect to the statistical policy and coordination functions—

"(i) a description of the specific actions taken, or planned to be taken, to carry out each such function;

"(ii) a description of the status of each major statistical program, including information on—

"(I) any improvements in each such program;

"(II) any program which has been reduced or eliminated; and

"(III) the budget for each such program for the previous fiscal year and the fiscal year in progress and the budget proposed for each such program for the next fiscal year; and

"(iii) a description and summary of the long range plans in effect for the major Federal statistical activities and programs;

"(C) with respect to privacy, disclosure, confidentiality, and security, any reports required under section 552a of title 5, United States Code, and a detailed statement on actions taken to fulfill the purposes of the Computer Security Act of 1987;

"(D) with respect to records management, a description of agency compliance with regulations issued by the Archivist of the United States, including efforts to archive information maintained in electronic format;

"(E) with respect to information technology, a detailed statement with respect to each agency of new initiatives to acquire information technology to improve information resources management, and a summary of actions taken and planned to be taken to improve coordination with the General Services Administration; and

"(F) with respect to information dissemination and access, a description of the feasibility and means of enhancing, using electronic and other formats, agency sharing of and public access to Government information, including by dissemination of public information and use of the Federal Information Locator System;

"(3) a list of all violations of provisions of this chapter and rules, regulations, guidelines, policies, and procedures issued under this chapter; and

"(4) such other information that demonstrates faithful administration of this chapter and that may be necessary or useful to the Congress in reviewing the effectiveness of and, when required, in reauthorizing appropriations for this chapter.".

SEC. 112. CONSULTATION WITH OTHER AGENCIES AND THE PUBLIC.

Section 3517 of title 44, United States Code, is amended—

(1) by inserting "(a)" before "In development"; and

(2) by adding at the end thereof the following new subsection—

"(b) The Director shall establish an Advisory Committee on Information Policy to advise in carrying out the functions assigned under this chapter that shall—

"(1) be composed of seventeen members, which shall include—

"(A) the Director;

"(B) the Administrator of General Services;

"(C) the Director of the National Institute of Standards and Technology;

"(D) the Archivist of the United States; and

"(E) thirteen members appointed by the Director, of whom—

"(i) three shall be representatives of three different Federal agencies with significant public information activities;

"(ii) seven shall be public members appointed to represent parties of interests other than the United States and shall be broadly representative of interested or affected groups, including private information providers, libraries, educational institutions, nonprofit organizations, consumer organizations, and businesses; and

"(iii) three shall be representatives of State and local governments;

"(2) provide for a two-year term for members appointed by the Director, except that one-half of the initial appointments shall be made for a term of three years;

"(3) provide that an individual may be reappointed to the committee for any number of terms;

"(4) provide that appointments shall be made without regard to political affiliation; and

"(5) comply with the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

"(c) No later than one hundred and eighty days after the date of the enactment of this subsection, the Director shall complete the initial appointment of members of the Advisory Committee on Information Policy.

"(d) The Director shall provide necessary support services for the Advisory Committee, and shall maintain the records of the Advisory Committee in a publicly accessible location which shall be identified in the charter of the Advisory Committee. Any record, or portion thereof, that is to be discussed or acted upon at a public meeting of the Advisory Committee shall be made available for public inspection and copying at least forty-eight hours in advance of such meeting.

"(e) The Advisory Committee on Information Policy shall terminate on September 30, 1996.

"(f) There are authorized to be appropriated $150,000 for each of the fiscal years 1993, 1994, 1995, and 1996, to carry out the functions of the Advisory Committee on Information Policy.".

SEC. 113. ACCESS TO INFORMATION.

Section 3519 of title 44, United States Code, is amended in the second sentence by inserting "regardless of form or format" after "paper and records".

SEC. 114. AUTHORIZATION OF APPROPRIATIONS.

Section 3520(a) of title 44, United States Code, is amended by striking out "$5,500,000 for each of the fiscal years 1987, 1988, and 1989." and inserting in lieu thereof "$8,000,000 for each of the fiscal years 1993, 1994, 1995 and 1996.".

TITLE II—REVIEW OF FEDERAL REGULATIONS

SEC. 201. SHORT TITLE.

This title may be cited as the "Regulatory Review Sunshine Act of 1993".

SEC. 202. DEFINITIONS.

For purposes of this title, the term—

(1) "agency" means an agency as defined under section 551(1) of title 5, United States Code, and section 552(f) of title 5, United States Code;

(2) "regulatory review" means the evaluation, review, oversight, supervision, or coordination of agency rulemaking activity by a reviewing entity directed by the President or the designee of the President to conduct such review on an ongoing basis;

(3) "reviewing entity" means any agency, or other establishment in the executive branch of the Federal Government established by the President, which engages, in whole or in part in regulatory review;

(4) "review action" means any action, including but not limited to a recommendation or direction, regarding an agency rulemaking activity taken by a reviewing entity; and

(5) "rulemaking activity" means any activity involving a rulemaking as defined under section 551(5) of title 5, United States Code, and includes activity involving a schedule or plan for rulemaking, strategy statements, guidelines, policy manuals, grant and loan procedures, advance notices of proposed rulemaking, press releases and other documents announcing or implementing regulatory policy that affects the public.

SEC. 203. DISCLOSURE BY A REVIEWING ENTITY.

(a) PUBLIC ACCESS.—A reviewing entity shall establish procedures, consistent with subsection (b), to provide public access to information concerning each agency rulemaking activity under its review. Such information shall include a copy of—

(1) all written communications, regardless of format, including drafts of all proposals and associated analyses, between the reviewing entity and the rulemaking agency;

(2) all written communications, regardless of format, between the reviewing entity and any person not employed by the Federal Government relating to the substance of an agency rulemaking activity;

(3) a record, including the date, participants, and substance, of all oral communications relating to the substance of an agency rulemaking activity, including meetings, between the reviewing entity and any person not employed by the Federal Government;

(4) a written explanation as required by section 204(c) and the date of any significant review action; and

(5) any notice of any extensions of review under section 206.

(b) PROCEDURES.—Information described under subsection (a) shall be made available to the public upon request—

(1) within 14 days of conclusion of review;

(2) in a manner consistent with the requirements of section 552(a) of title 5, United States Code; and

(3) for review, and copying, in a publicly accessible reading room during normal business hours.

SEC. 204. DISCLOSURE TO A RULEMAKING AGENCY BY A REVIEWING ENTITY.

(a) WRITTEN COMMUNICATIONS.—A reviewing entity shall transmit to the rulemaking agency, on a timely basis, copies of any written communications between the reviewing entity and any person not employed by the Federal Government concerning the substance of a rulemaking activity of that agency.

(b) ORAL COMMUNICATIONS.—A reviewing entity shall disclose to the rulemaking agency, on a timely basis, all oral communications, including meetings, between any person not employed by the Federal Government and the reviewing entity concerning the substance of a rulemaking activity of that agency. The reviewing entity shall—

(1) advise the rulemaking agency of the date, participants, and substance of such communications; and

(2) invite the rulemaking agency head or designee to all scheduled meetings involving such communications.

(c) EXPLANATION OF SIGNIFICANT REVIEW ACTION.—A reviewing entity shall, in a timely manner, provide the rulemaking agency with a written explanation of any significant review action taken by the reviewing entity concerning an agency rulemaking activity.

SEC. 205. PUBLIC DISCLOSURE BY A RULEMAKING AGENCY.

(a) STATUS OF REVIEW.—A rulemaking agency shall upon request identify a rulemaking activity, the date upon which it was submitted to a reviewing entity for review, and any notice of any extensions of review under section 206.

(b) EXPLANATIONS.—For each proposed and final rule, a rulemaking agency shall explain in its rulemaking notice any significant changes made to such rule as a consequence of regulatory review.

(c) RECORD.—A rulemaking agency shall place in the appropriate rulemaking record all of the documents received from a reviewing entity as required under section 204.

SEC. 206. TIME LIMITS FOR REVIEW.

(a) TIME LIMITS.—Within 60 days after the receipt of a rulemaking activity submitted to a reviewing entity for review, the reviewing entity shall conclude review of the rulemaking activity. The reviewing entity may, for good cause explained to the rulemaking agency extend the time for review for 30 days.

(b) RESOLUTION OF OUTSTANDING ISSUES.—If the President, or such other person or entity as the President may designate, reviews for resolution an issue arising out of a regulatory review—

(1) the applicable time limits described under subsection (a) may be extended, although any such issue shall be resolved as promptly as practicable; and

(2) any such review shall be subject to the requirements of this title, except for section 206(a).

(c) EXTENSIONS.—A reviewing entity shall notify the rulemaking agency of an extension beyond 60 days and provide public notice, pursuant to sections 203 and 207. The rulemaking agency shall promptly publish a notice of any such extension in the Federal Register, and shall give public notice pursuant to section 205.

SEC. 207. PUBLIC ACCOUNTING OF REGULATORY REVIEW.

(a) PUBLICATION OF ACCOUNTING.—The Office of Management and Budget shall prepare and make available to the public a monthly and an annual accounting of regulatory review conducted by any and all reviewing entities. Such accounting shall include a list of all rulemaking activities submitted to a reviewing entity for review, under review by a reviewing entity, or for which a review action was taken by a reviewing entity during the reporting period.

(b) INFORMATION INCLUDED IN ACCOUNTING.—The monthly accounting required under subsection (a) shall be prepared and made available to the public within 10 working days of the end of each month and shall include the name and type of each rulemaking activity reviewed, the reviewing entity, the rulemaking agency, the date of submission, the status of review, notice of any extensions of review under section 206, any review action, the date of such action, and the authority for review.

(c) FEDERAL REGISTER PUBLICATION.—Each rulemaking agency shall publish in the Federal Register within 10 working days of the end of each month a list of all rulemaking activities undergoing regulatory review during the preceding month. Such list shall include the name and type of each rulemaking activity, the reviewing entity, the date of submission, any review action taken during the reporting period, and the date of any such action.

SEC. 208. EXCLUSIONS.

Oral communications with the President, the Vice President, the Administrator of the Environmental Protection Agency, the Director of the Office of Management and Budget, and the heads of executive departments as defined under section 101 of title 5, United States Code, are not covered by this title.

SEC. 209. RULES OF CONSTRUCTION.

(a) AUTHORIZATION.—Nothing in this title authorizes a reviewing entity to—

(1) review a rulemaking activity; or

(2) direct an agency to make a decision with regard to a rulemaking activity unless specifically authorized by law.

(b) ALTERATIONS.—Nothing in this title alters in any manner—

(1) rulemaking authority vested by law in the head of an agency;

(2) any legally mandated criteria for rulemaking; or

(3) the application of any statutory or judicial deadline or the authority of an agency to undertake rulemaking activity in an emergency situation.

SUMMARY—PAPERWORK REDUCTION REAUTHORIZATION ACT OF 1993

The Paperwork Reduction Reauthorization Act of 1993:

(1) Reauthorizes appropriations for OMB's Office of Information and Regulatory Affairs (OIRA) for four years ($8 million for fiscal years 1993, 1994, 1995 & 1996);

(2) Strengthens agency and OIRA efforts to reduce paperwork burdens on the public;

(3) Improves the management of Federal information resources ("IRM"); and

(4) Establishes basic public accountability procedures for presidential regulatory review.

PAPERWORK REDUCTION

The bill requires agencies to do more to reduce paperwork. Each agency must have an independent paperwork clearance process to ensure objective review of information collection proposals before submission to OIRA.

The bill also requires OIRA to do more to reduce paperwork burdens on the American public. It must:

(1) Identify initiatives to reduce paperwork burdens on individuals, businesses, educational institutions, non-profit organizations, and State and local governments, especially concerning procurement, grants, taxation, and international competitiveness;

(2) Find areas of unnecessary duplication, develop methods for their elimination, and conduct pilot projects to test alternatives to current information practices;

(3) Work with the Office of Federal Procurement Policy to cut paperwork burdens related to government purchasing.

Agency and OIRA procedures are revised to improve public notice about paperwork proposals and paperwork clearance decisions. The public is given a 30-day comment period before OIRA makes its paperwork clearance decision.

INFORMATION RESOURCES MANAGEMENT

The Paperwork Reduction Act of 1980 established the comprehensive IRM approach to coordinate management of all information functions, e.g., collection, use, dissemination, archiving and disposal—The government can't reduce paperwork or use information technology effectively if it doesn't know what information it collects, why or what to do with it.

Congressional oversight, however, has found continuing information management problems. Thus, the current legislation strengthens the Act's IRM requirements:

IRM concepts and requirements for agencies and OMB are updated and clarified to improve planning, particularly with regard to information technology, and to improve the performance of agency program activities.

OIRA must do more to improve Federal statistics and other information functions, such as records management.

Agencies and OMB must develop information dissemination policies and procedures that are coordinated with other information functions and serve agency missions in the electronic information age.

An advisory committee is created to help OIRA better fulfill its responsibilities under the Act.

REGULATORY REVIEW SUNSHINE

Title II of the legislation is identical to S. 168, requiring accountability for presidential review of Federal agency rulemaking. It is derived from legislation of the 102nd Congress (S. 1942), reported favorably by the Governmental Affairs Committee by a bipartisan vote (S. Rpt. 102-256). The legislation requires:

(1) Disclosure of regulatory review information to agencies and the public (within 14 days of the end of review):

Written communications with any non-governmental party or the rulemaking agency;

Summaries of substantive oral communications with any non-governmental party (but not with the rulemaking agency); and

Explanations of significant review decisions and notices of extensions.

(2) Regular public accounting of proposals under review.

(3) 60 day time limit for review, with limited extensions.

(4) Exemption for conversations with the President, Vice President, and heads of EPA, OMB, and Cabinet agencies.•

By Mr. INOUYE:

S. 682. A bill to allow the psychiatric or psychological examinations required under chapter 313 of title 18, United States Code, relating to offenders with mental disease or defect to be conducted by a clinical social worker; to the Committee on the Judiciary.

PSYCHIATRIC OR PSYCHOLOGICAL EXAMINATIONS ACT OF 1993

• Mr. INOUYE. Mr. President, today I am introducing legislation to amend title 18 of the United States Code in order to allow our Nation's clinical social workers to provide their mental health expertise to the Federal judiciary.

Mr. President, I feel that the time has come to allow our Nation's judicial system to have access to a wide range of behavioral science and mental health expertise. I am confident that the enactment of this legislation would be very much in our Nation's best interest.

I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of subsection (b) of section 4247 of title 18, United States Code, is amended by—

(1) striking out "or" after "certified psychiatrist" and inserting a comma; and

(2) inserting after "psychologist," the following: "or clinical social worker,".•

By Mr. INOUYE:

S. 683. A bill to amend title XVIII of the Social Security Act to provide improved reimbursement for clinical social worker services under the Medicare Program; to the Committee on Finance.

CLINICAL SOCIAL WORKERS' ACT OF 1993

• Mr. INOUYE. Mr. President, today I am introducing legislation to amend

title XVIII of the Social Security Act to correct discrepancies in the reimbursement of clinical social worker services covered through Medicare, part B. The three proposed changes that are contained in this legislation are necessary to clarify the current payment process for clinical social workers and to establish a reimbursement methodology for the profession that is similar to other health care professionals reimbursement through the Medicare Program.

First, this legislation would set payment for clinical social worker services according to a fee schedule established by the Secretary. Currently, the methodology for reimbursing clinical social workers' services is set at a percentage of the fee for another non-physician provider group, which creates a greater differential in charges than that which exists in the marketplace. I am aware of no other provision in the Medicare statute where one non-physician's reimbursement rate is tied to that of another non-physician provider. This is a precedent that clinical social workers understandably wish to change. I also wish to see that clinical social workers' services are valued on their own merit.

Second, this legislation makes it clear that services and supplies furnished incident to a clinical social worker's services are a covered Medicare expense, just as these services are currently covered for other mental health professionals in Medicare. And, third, the bill would allow a clinical social worker to be reimbursed for services provided to a client who is hospitalized.

Clinical social workers are valued members of our health care provider team. They are legally regulated in every State of our Nation and are recognized as independent providers of mental health care throughout the health care system. Clinical social worker services were made available to Medicare beneficiaries through the Omnibus Budget Reconciliation Act of 1989. I believe that it is time now to correct the reimbursement problems that this profession has experienced through Medicare.

Mr. President, I ask unanimous consent that the full text of this legislation be printed in the RECORD.

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

S. 683

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

SECTION 1. IMPROVED REIMBURSEMENT FOR CLINICAL SOCIAL WORKER SERVICES UNDER MEDICARE.

(a) IN GENERAL.—Section 1833(a)(1)(F)(ii) of the Social Security Act (42 U.S.C. 13951(a)(1)(F)(ii)) is amended to read as follows: "(ii) the amount determined by a fee schedule established by the Secretary,".

(b) DEFINITION OF SOCIAL WORKER SERVICES EXPANDED.—Section 1861(hh)(2) of such Act (42 U.S.C. 1395x(hh)(2)) is amended by striking "services performed by a clinical social worker (as defined in paragraph (1))" and inserting "services performed by a clinical social worker (as defined in paragraph (1)), and such services and supplies furnished as an incident to such services performed,".

(c) SERVICES OF CLINICAL SOCIAL WORKERS NOT TO BE INCLUDED IN INPATIENT HOSPITAL SERVICES.—Section 1861(b)(4) (42 U.S.C. 1395x(b)(4)) is amended by striking "and services" and inserting "qualified clinical social worker services, and services".

(d) TREATMENT OF SERVICES FURNISHED IN INPATIENT SETTING.—Section 1832(a)(2)(B)(iii) (42 U.S.C. 1395k(a)(2)(B)(iii)) is amended by striking "and services" and inserting "qualified clinical social worker services, and services".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to payments made for clinical social worker services furnished on or after January 1, 1994.•

By Mr. INOUYE (for himself and Mr. WELLSTONE):

S. 684. A bill to establish a national health plan, and for other purposes; to the Committee on Finance.

NATIONAL HEALTH CARE ACT OF 1993

• Mr. INOUYE. Mr. President, I introduce the National Health Care Act of 1993, a comprehensive proposal to make quality health, mental health, and long-term care services available to all Americans. I introduced this important initiative in the 102d Congress on behalf of the National Association of Social Workers [NASW], and I am very pleased to reintroduce this legislation at such a critical juncture in our Nation's health care debate.

I believe that this health care reform initiative offers a valuable blueprint on designing an affordable health care system that combines the best of our private and public systems and offers quality care to all. Like other single-payer national health care proposals, this bill would replace the patchwork of multiple public and private insurance plans with one publicly financed health insurance plan that is administered by the States under Federal guidelines. The plan would cover expanded comprehensive care—much more than is currently available in the typical insurance package. The benefits would include primary care services, hospital care, dental and vision care, mental health and substance abuse treatment, rehabilitation services, and prescription drugs. The proposal also provides a long-term care benefit that includes home and community-based care for the chronically ill of all ages. Every American would receive the same level of comprehensive benefits through the use of a uniform, single system that allows for equitable, cost-effective care to all.

This health care reform plan goes beyond recommendations for a new payment and administrative system. What makes this plan unique is that it provides a vision for the delivery of quality health and mental health care. It takes into account, for example, the need for individuals to assume personal responsibility for a healthy lifestyle—however, this plan helps consumers work toward that goal through the use of health education and promotion programs in the schools, workplace, and other community settings. In addition, the plan both emphasizes and makes available preventive and primary care services, essential components to the maintenance of good health.

Of particular importance to me is the plan's view of mental health care and substance abuse treatment. Mental health has always been one of my top priorities, and this plan treats mental health care and substance abuse treatment in the same fashion as care that would be provided for a physical ailment. No arbitrary limits on care are imposed, nor are added copayments and deductibles attached to mental health services to decrease the utilization of needed care. The plan recognizes that mental health and substance abuse service needs, like those for physical health care, can be considered in a framework that includes preventive care, primary care, and long-term care. Care coordination and an emphasis on the use of home and community-based treatment are viewed as the primary means of managing chronic and/or costly care in mental health and substance abuse, just as they may be used in managing chronic and long-term health care.

Care coordination is a central theme in the NASW proposal. Care coordination services are identified as a specific benefit that is available through all primary care providers. For long-term care, screening and care coordination that is provided by a multidisciplinary team of providers is the point of entry. The availability of these services is regarded as an essential element to ensure access to appropriate care.

Many service delivery system improvements are contained in this proposal to enhance continuity of care and service efficiency. One such model is the Integrated Health Service Plan, a not-for-profit, consumer-controlled system that provide comprehensive outpatient care to an enrolled population in its own facility. While consumers' ability to choose their own providers is maintained through the plan, options are also included to assist consumers in locating appropriate, quality care. Additionally, the development of innovative methods of delivering services will be fostered through the use of targeted demonstration grant funds to States and communities.

This legislation recognizes the reality that access to health insurance coverage does not always translate into access to care. Many provisions exist in this legislation to promote increased access to care in rural, urban, and other health professional shortage

areas. Provisions also exist to encourage innovative approaches in prevention and treatment for underserved populations who have traditionally had difficulty in obtaining care.

Many of the current health care reform proposals focus exclusively on the private sector's role in delivering health care. But, the fact is, public dollars already support a substantial amount of health care delivery in our country. The NASW proposal is based on the assumption that both private and public systems of care are necessary and must work together to make the most efficient use of available resources. The plan calls for the development of public health functions and activities commission to review our public primary care systems and to make recommendations on which programs will require additional program and funding support.

My own State of Hawaii has worked very hard to achieve almost universal access of its residents to health insurance coverage, and I believe that this plan incorporates some of the major provisions in the Hawaii plan that keep the insurance premiums in our State relatively low and allow us to use available resources efficiently. Like our practice in Hawaii, this approach focuses on the need to provide preventive and primary care services to maintain our population's health. And second, this plan would save billions of dollars in administrative costs through the use of a single-payer system. While Hawaii does not have a single-payer plan, it benefits from many of the advantages of a single-payer system because insurance coverage is primarily provided by two insurers.

I wish to congratulate the National Association of Social Workers on its development of this plan. Professional social workers are employed throughout the health and mental health care delivery systems, from primary care providers to positions in public health, health planning, and health administration. Often, social workers serve as advocates for consumers and their families within the health care system, and too often, they are in the challenging position of trying to assist individuals piece together financing for needed care that is not covered through a health insurance plan.

Mr. President, I request unanimous consent that the text and a summary of this bill be printed in the RECORD.

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

S. 684

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Health Care Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.
Sec. 3. Definitions.

TITLE I—NATIONAL HEALTH CARE PROGRAM

Sec. 101. Establishment.
Sec. 102. Approval of State programs.
Sec. 103. Eligibility for enrollment.
Sec. 104. Enrollment.
Sec. 105. Portability.

TITLE II—BENEFITS AND PROVISION OF SERVICES

Subtitle A—Scope of Services

Sec. 201. Covered services.
Sec. 202. Exclusions.
Sec. 203. Prohibitions on limitations.
Sec. 204. Eligibility.
Sec. 205. Additional and duplicate services.

Subtitle B—Provision of Services

Sec. 211. Health care providers.
Sec. 212. Delivery systems.
Sec. 213. State long-term care coordination agencies.
Sec. 214. Incorporation of miscellaneous medicare-related provisions.
Sec. 215. Nondiscrimination.

TITLE III—REVENUE

Subtitle A—Budget Process

Sec. 301. National and State health budgets.
Sec. 302. Payments to States.
Sec. 303. Establishment of exchange program.

Subtitle B—Payments to Health Care Providers

Sec. 311. Payments to health care providers.
Sec. 312. Payments to institutional health care providers.
Sec. 313. Payments for services by individual health care providers.
Sec. 314. Payments to integrated health service plans.
Sec. 315. Payments for prescription drugs.
Sec. 316. Approved devices and equipment.
Sec. 317. Grievance procedure.

Subtitle C—Sources of Revenue

Sec. 321. Federal sources of revenue.
Sec. 322. State sources of revenue.
Sec. 323. Cost-sharing.
Sec. 324. National Health Care Trust Fund.

TITLE IV—ADMINISTRATION

Subtitle A—Federal Administration

Sec. 401. National Health Care Administration.
Sec. 402. National Health Board.
Sec. 403. National Council on Quality Assurance and Consumer Protection.
Sec. 404. Medical Malpractice Commission.
Sec. 405. Utilization and quality control peer review organizations.
Sec. 406. Public Health Functions and Activities Commission.
Sec. 407. Technical assistance centers.

Subtitle B—State and Local Administration

Sec. 411. State agency.
Sec. 412. State and local planning boards.

TITLE V—TRANSITION AND RELATIONSHIP TO OTHER PROGRAMS

Sec. 501. Effective date.
Sec. 502. Repeals and incorporations.
Sec. 503. Transition.
Sec. 504. Rules governing congressional consideration.
Sec. 505. Relation to Employee Retirement Income Security Act of 1974.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Bill of rights.
Sec. 602. Research and service delivery improvement program grants.
Sec. 603. Prevention, health promotion, and health awareness program grants.
Sec. 604. Displaced workers.

SEC. 2. PURPOSE.

The purpose of this Act is to establish a single-payer national program of health care services that is administered by the States under Federal guidelines and provides—

(1) a right to health care services for every United States citizen and resident, regardless of race, color, religion, sex, national origin, age, health condition, sexual preference, income, language, or geographic residence in an urban or rural area;

(2) comprehensive health benefits that—

(A) enable consumers to achieve and maintain physical and mental health, maximize potential for enhanced social and physical functioning, and sustain a meaningful quality of life; and

(B) provide a major emphasis on primary prevention and health promotion;

(3) a broad range of involvement on the local level by health care providers, public agencies, consumers, civic organizations, schools, employers, and unions;

(4) cost-conscious delivery of high quality services through prospective global budgeting for the States and hospitals, negotiated fee schedules for health care providers, efficient use of health care facilities and equipment, and the elimination of unnecessary medical procedures;

(5) the right of consumers to participate in the decisions that directly affect their lives, and in the decisions that relate to the design and implementation of covered services;

(6) a simplified administrative structure that enhances access and reduces administrative waste;

(7) freedom of choice of consumers to select health care providers within the framework of a national health care program;

(8) primary financing through progressive Federal taxation;

(9) an integrated health delivery system that—

(A) provides a continuum of care that links all levels of the health care program;

(B) addresses the physical, mental, and psychosocial health needs of the consumer and the family; and

(C) promotes multidisciplinary collaboration in the delivery of services;

(10) a health care program that reflects the demographic and sociocultural diversity and needs of the community;

(11) professional standards linked to performance for all health care providers that ensure the delivery of high-quality health care services and accountability to both health care providers and consumers;

(12) special resources to address the medical, mental, and social health needs of medically underserved populations and health professional shortage areas;

(13) education and training programs for professional, allied, and paraprofessional personnel in health professional shortage areas, and the assurance that the programs offer equal access to minorities and women;

(14) continued commitment to and strengthening of basic public health functions to provide for a safe environment, control of infectious diseases, and promotion of a healthy lifestyle and behavior;

(15) support of research efforts that will—

(A) enhance the physical, mental, and social well-being of major segments of society;

(B) improve the delivery of cost-conscious, quality health care services; and

(C) enable health care providers and consumers to make more informed decisions; and

(16) continued commitment to basic biomedical and comprehensive mental health research.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ADMINISTRATION.—The term "Administration" means the National Health Care Administration, established in section 401(a).

(2) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Administration, appointed under section 401(b)(1).

(3) BOARD.—The term "Board" means the National Health Board, established in section 402.

(4) CONSUMER.—The term "consumer" means an eligible individual who receives covered services.

(5) COVERED SERVICE.—The term "covered service" means a service described in section 201, provided under a State program.

(6) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means an individual who is eligible—

(A) for enrollment, as described in section 103; and

(B) with respect to a covered service, to receive the service, as described in section 204.

(7) HEALTH CARE FACILITY.—The term "health care facility" means a facility entitled under the law of a State to provide covered services.

(8) HEALTH CARE PROVIDER.—The term "health care provider" means a person entitled under the law of a State to provide covered services, and a health care facility.

(9) HEALTH PROFESSIONAL SHORTAGE AREA.—The term "health professional shortage area" has the meaning given the term in section 332(a)(1) of the Public Health Service Act (42 U.S.C. 254e(a)(1)).

(10) INTEGRATED HEALTH SERVICE PLAN.—The term "Integrated Health Service Plan" means a nonprofit, consumer-controlled, health plan that—

(A) provides all covered services; and

(B) operates as a single organization in the health care facilities of the organization.

(11) LOCAL PLANNING AREA.—The term "local planning area" means an area designated under section 412.

(12) MEDICALLY UNDERSERVED POPULATION.—The term "medically underserved population" has the meaning given the term in section 330(b)(3) of the Public Health Service Act (42 U.S.C. 254c(b)(3).

(13) NATIONAL HEALTH CARE DATA BASE.—The term "national health care data base" means the data base established in section 401(h).

(14) NATIONAL HEALTH CARE PROGRAM.—The term "national health care program" means the program established in section 101.

(15) NURSING FACILITY.—The term "nursing facility" has the meaning given the term in section 1919(a) of the Social Security Act (42 U.S.C. 1396r(a)).

(16) STATE.—The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(17) STATE AGENCY.—The term "State agency" means an agency designated under section 411.

(18) STATE PROGRAM.—The term "State program" means a program approved under section 102.

(19) TRUST FUND.—The term "Trust Fund" means, except as otherwise specifically provided, the fund established in section 324.

TITLE I—NATIONAL HEALTH CARE PROGRAM

SEC. 101. ESTABLISHMENT.

The Administrator shall establish and carry out a national health care program in accordance with this Act. In carrying out the national health care program, the Administrator shall make payments under section 302 to assist the States in establishing and carrying out State programs that provide covered services to eligible individuals.

SEC. 102. APPROVAL OF STATE PROGRAMS.

(a) IN GENERAL.—The Administrator shall provide for the review, and approval or disapproval, of programs as State programs under this Act.

(b) APPLICATION.—For purposes of obtaining the approval described in subsection (a), a State agency shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require, including a State plan that contains information describing a State program for providing covered services to eligible individuals in the State. At a minimum, the plan shall specify—

(1) procedures for enrollment of individuals described in subsection (a) or (b) of section 103 in the State program in accordance with this title;

(2) covered services to be provided by the State program in accordance with subtitle A of title II, including a description of the manner in which each health care provider shall provide care coordination services;

(3) requirements for provision of covered services in the State program in accordance with subtitle B of title II;

(4) procedures for establishing an exchange program in accordance with section 303;

(5) procedures for making payments to health care providers in accordance with subtitle B of title III;

(6) sources of State revenues for the State program, and cost-sharing procedures, in accordance with sections 322 and 323, respectively;

(7) an assurance that the State will comply with the State administrative and planning requirements set forth in subtitle B of title IV;

(8) an assurance that the State program will reflect the demographic and sociocultural diversity and needs of the communities with the State; and

(9) an assurance that the State agency shall annually prepare and submit to the Administrator a report concerning the operation of the State program.

(c) NOTIFICATION OF APPROVAL.—Not later than 90 days after the date the State agency submits the plan described in subsection (b) the Administrator shall notify the State agency of the decision of the Administration approving or disapproving the State plan.

(d) ENFORCEMENT.—

(1) MONITORING.—The Administration shall monitor the compliance of State programs with the applicable requirements of this Act, including the provisions specified in subsection (b).

(2) RECORDS.—Each State program shall maintain such records regarding the implementation of the State program as the Administrator may by regulation require.

(3) ACCESS.—Any officer, employee, or representative of a State program shall, upon request of an officer, employee, or representative of the Administration, duly designated by the Administrator, furnish information relating to the implementation of the State program and permit the officer, employee, or representative at all reasonable times to have access to, and to copy, the records described in paragraph (2).

(e) WITHDRAWAL OF APPROVAL.—If the Administrator determines, after notice and opportunity for a hearing, that a program that has been previously approved as a State program no longer meets the applicable requirements of this Act, the Administrator may require corrective action or withdraw approval of the program. If the Administrator withdraws approval of a program within a State, the Administrator shall, by grant or contract, carry out a program that provides covered services to eligible individuals in accordance with the requirements, within the State served by the State program.

SEC. 103. ELIGIBILITY FOR ENROLLMENT.

(a) IN GENERAL.—An individual shall be eligible to enroll in the national health care program for covered services under a State program, if the individual—

(1) maintains a primary residence in the State; and

(2) is—

(A) a citizen of the United States;

(B) a national of the United States;

(C) a lawful resident alien of the United States; or

(D) an alien nonimmigrant made eligible under subsection (b).

(b) ALIEN NONIMMIGRANTS.—

(1) IN GENERAL.—The Administration may make eligible to enroll in the national health care program, as described in subsection (a), individuals within such classes of aliens admitted to the United States as nonimmigrants as the Administrator may provide in regulations prescribed under section 401(e)(1)(A).

(2) CONSIDERATIONS.—In providing for eligibility under paragraph (1), the Administration shall consider reciprocity in health care services offered to United States citizens who are nonimmigrants to other foreign states, and such other factors as the Administration determines to be appropriate.

(c) NONDISCRIMINATION.—

(1) IN GENERAL.—Any State that receives assistance under this Act shall not discriminate in the enrollment of individuals eligible for enrollment under subsection (a) or (b) in the plan on the basis of race, color, religion, sex, national origin (except in accordance with regulations promulgated under subsection (b)(1)), age, health condition, sexual preference, income, language, or geographic residence in an urban or a rural area within the State.

(2) RULES AND REGULATIONS.—

(A) IN GENERAL.—In carrying out this section, a State agency shall implement eligibility procedures in accordance with regulations prescribed under section 401(e)(1)(A).

(B) ENFORCEMENT.—The Administrator shall promulgate rules and regulations to provide for the enforcement of this section, including provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until the Administration can provide notice and an opportunity to be heard.

(d) DEFINITION.—As used in this section, the term "lawful resident alien" means an alien lawfully admitted for permanent residence and any other alien lawfully residing permanently in the United States under color of law, including an alien granted asylum or with lawful temporary status under section 210, 210A, or 245A of the Immigration and Nationality Act (8 U.S.C. 1160, 1161, or 1255a).

SEC. 104. ENROLLMENT.

(a) ENROLLMENT PROCESS.—In order to be eligible to receive a payment under section 302, each State program shall provide a mechanism, in accordance with regulations prescribed under section 401(e)(1)(B), for the enrollment of individuals described in subsection (a) or (b) of section 103 in the national health care program.

(b) LOCATION.—Enrollment may occur at offices of the State program and other locations specified by the State agency.

(c) AUTOMATIC ENROLLMENT.—The mechanism under subsection (a) shall include a process for the automatic enrollment of individuals at the time of birth in the United States or at the time of immigration into the United States or other acquisition of lawful resident status in a State. Such mechanism shall also provide for the enrollment of eligible individuals as of January 1, 1995.

(d) ISSUANCE OF CARD.—On enrollment of an individual in the national health care program, the State program shall issue the individual a card that may be used for purposes of identification and processing of claims for covered services.

SEC. 105. PORTABILITY.

(a) REIMBURSEMENT.—Each State program shall, in accordance with regulations issued by the Administrator, include procedures for portability of coverage and reimbursement for individuals who are enrolled in the State program and require a covered service in another State or country.

(b) ENROLLMENT IN OTHER STATE PROGRAMS.—Each State agency shall agree to provide covered services, under such conditions as the Administrator shall by regulation specify, to individuals enrolled in other State programs.

(c) REQUIREMENTS.—Each State program—

(1) shall not impose any minimum period of residence in the State, or waiting period, in excess of 3 months before residents of the State are eligible for or entitled to covered services; and

(2) shall provide for, and be administered and operated, so as to provide for the payments of amounts for the cost of covered services provided to enrolled persons while temporarily absent from the State on the basis that—

(A) if covered services are provided within another State with a State program, payment for covered services shall be at the rate that is approved by the State program in the State in which the services are provided, unless the States concerned agree to apportion the cost between the States in a different manner; and

(B) if the covered services are provided out of the United States, or in a State that does not have a State program, payment shall be made on the basis of the amount that would have been paid by the State in which the enrolled persons reside for similar services rendered in the State, with due regard, in the case of hospital services, to the size of the hospital, standards of service, and other relevant factors.

(d) PRIOR CONSENT FOR SERVICES PROVIDED TO TEMPORARILY ABSENT RESIDENTS PERMITTED.—Notwithstanding any other provision of this section, a State program may require that the prior consent of the State program be obtained for elective insured health services provided to a resident of the State while temporarily absent from the State if the services in question are available on a substantially similar basis in the State.

(e) DEFINITION.—For the purposes of this section, the term "elective insured health services" means covered services other than services that are provided in an emergency or in any other circumstance in which health care services are required without delay.

TITLE II—BENEFITS AND PROVISION OF SERVICES

Subtitle A—Scope of Services

SEC. 201. COVERED SERVICES.

(a) IN GENERAL.—The covered services provided under this Act by the national health care program are all medically necessary services, and any benefit or service described in section 909 of the Civil Rights Restoration Act of 1987 (42 U.S.C. 1688), except as provided in section 202, that contribute to the physical, mental, or psychosocial health of an individual or family, as determined in accordance with regulations prescribed under section 401(e)(1)(C), including—

(1) primary prevention and health promotion services;

(2) primary care services;

(3) inpatient services, including discharge planning, social services, and emergency and trauma services;

(4) outpatient hospital services, including emergency and trauma services;

(5) laboratory and radiology services;

(6) care coordination services;

(7) rehabilitation services;

(8) mental health services;

(9) substance abuse treatment and rehabilitation services;

(10) long-term care services provided in accordance with section 213(c);

(11) hospice care services;

(12) provision of—

(A) prescription drugs and biologicals that are listed in accordance with section 315 and prescribed by a health care provider;

(B) such drugs, other than drugs described in subparagraph (A), as are determined by a health care provider to be medically necessary;

(C) durable medical equipment, and therapeutic devices and equipment (including eyeglasses, hearing aids, and prosthetic appliances), that are listed in accordance with section 316 and prescribed by a health care provider; and

(D) such medical supplies, other than devices and equipment described in subparagraph (C), as are determined by a health care provider to be medically necessary;

(13) dental care services;

(14) hearing and speech services;

(15) vision care services;

(16) occupational health services;

(17) organ transplant services; and

(18) other inpatient and outpatient professional services.

(b) DEFINITIONS.—As used in this title:

(1) CARE COORDINATION SERVICES.—The term "care coordination services" means services that—

(A) are provided through an individual health care provider or a multidisciplinary team of health care providers, including physicians, nurses, social workers, and other nonphysician health care providers; and

(B)(i) promote physical, mental, and psychosocial health maintenance;

(ii) provide for the coordination and monitoring of health care services for consumers, as well as maintenance of appropriate records; and

(iii) provide transition management from inpatient facilities to other needed community-based care services.

(2) DENTAL CARE SERVICES.—The term "dental care services" means all medically necessary preventive and curative dental care and routine dental examinations, provided as frequently as the Administrator shall by regulation specify for consumers within specified age groups.

(3) HEARING AND SPEECH SERVICES.—The term "hearing and speech services" means all medically necessary screening, treatment, and provision of devices, relating to promotion of hearing and speech.

(4) HOSPICE CARE SERVICES.—The term "hospice care services" means—

(A) hospice care, as defined in section 1861(dd)(1) of the Social Security Act (42 U.S.C. 1395x(dd)(1))—

(i) whether provided in the home, through community-based services, or on an inpatient basis; and

(ii) except that the reference to "medical social services" in subparagraph (C) of such section is deemed a reference to "medical social work services"; and

(B) counseling services, including bereavement counseling.

(5) LONG-TERM CARE COORDINATION SERVICES.—The term "long-term care coordination services" means ongoing services that—

(A) provide entry to and management of long-term care services and covered services for individuals described in section 204(1); and

(B) ensure—

(i) effective, cost-efficient, and coordinated delivery of such services to a consumer; and

(ii) comprehensive, continuous, and coordinated care that meets the physical, mental, and psychosocial health needs of such individuals.

(6) LONG-TERM CARE SERVICES.—The term "long-term care services" means items and services provided to individuals described in section 204(1) under a written plan of care through home and community-based care programs and nursing facilities and constitutes—

(A) long-term care coordination services;

(B) information and referral services;

(C) skilled and intermediate nursing home services;

(D) day treatment or partial hospitalization;

(E) nursing care;

(F) services of a homemaker or home health aide, personal care services, and heavy chore services;

(G) social work services;

(H) physical, occupational, speech, and any other appropriate therapy services;

(I) day health care services and social day care;

(J) respite care for caregivers;

(K) consumer and health care provider education, training, and counseling, regarding health care services;

(L) medical, skilled nursing, and social support services, for residents of foster care programs, board and care facilities, and other assisted living programs;

(M) medical supplies and minor remodeling changes to the home required by a health condition;

(N) Meals on Wheels;

(O) nutrition and dietary counseling;

(P) assisted transportation;

(Q) emergency alarm response systems;

(R) coverage of health care needs of people with chronic illnesses;

(S) coverage of acute health care, if required, in a hospital, nursing facility, rehabilitation facility, or other inpatient or outpatient facility; and

(T) home and community-based services to assist people recovering from illness, disease, or injury.

(7) MENTAL HEALTH SERVICES.—The term "mental health services" means services related to the diagnosis and treatment of mental illnesses and the promotion of mental health, including—

(A) inpatient services, including services provided at hospitals and other inpatient facilities, such as residential treatment centers;

(B) partial hospitalization and other types of day programs;

(C) crisis intervention;

(D) outpatient services, with particular emphasis on outpatient services for children and adolescents, provided through—

(i) community-based health care facilities and systems; or

(ii) autonomous health care providers, including psychiatrists, clinical psychologists, clinical social workers, psychiatric nurse specialists, or such other qualified health care providers as the Administrator shall by regulation specify; and

(E) community-based residential programs, particularly programs that prepare individuals for independent living.

(8) OCCUPATIONAL HEALTH SERVICES.—The term "occupational health services" means—

(A) prevention and health promotion activities to be carried out in high risk workplaces and workplaces with sizable work forces; and

(B) specific health monitoring activities to be carried out in workplaces that are determined, in consultation with the Occupational Safety and Health Administration, by the Federal Government to pose a significant threat to the health and safety of the workers.

(9) ORGAN TRANSPLANT SERVICES.—The term "organ transplant services" means organ transplants for which screening indicates a likelihood of significant and sustained improvement in the quality of life of the consumer.

(10) PRIMARY CARE SERVICES.—The term "primary care services" means services provided by a health care provider that provide—

(A) comprehensive services focused on the maintenance of physical, mental and psychosocial health; and

(B) care coordination services.

(11) PRIMARY PREVENTION AND HEALTH PROMOTION SERVICES.—The term "primary prevention and health promotion services" means—

(A) comprehensive well-child care services, including health education services, for consumers below age 22, including immunizations and early, routine assessment, diagnosis, and treatment, that—

(i) help to ensure prevention of disease and early identification before the onset of illness;

(ii) assess a wide array of health conditions;

(iii) provide diagnosis and evaluation of suspected health, mental health, or developmental problems; and

(iv) provide parent and caregiver training as appropriate and necessary to support child health and developmental services for high-risk children;

(B) perinatal and infant health care services, including prenatal care and follow-up for a mother and an infant through the first year of the life of the infant;

(C) routine, age-appropriate, clinical health maintenance examinations for consumers age 22 and older;

(D) comprehensive family planning and reproductive health care services;

(E) school-based primary prevention and health promotion programs, which may include school-based clinics, mobile programs, or satellite clinics serving several schools in close proximity; and

(F) home visiting services to provide enhanced risk-appropriate maternal and child health assessment, education, and support.

(12) PROFESSIONAL SERVICES.—The term "professional services" means services of physicians, registered nurses, nurse practitioners, nutritionists, podiatrists, physician's assistants, psychologists, social workers, nurse midwives, dietitians, and physical, speech, occupational, and respiratory therapists, and such other health care providers as the Administrator shall approve.

(13) REHABILITATION SERVICES.—The term "rehabilitation services" means, except as used within the term "substance abuse treatment and rehabilitation services"—

(A) physical therapy, occupational therapy, speech-language therapy, pathology, and audiology, provided by autonomous health care providers or by health care facilities;

(B) social work services;

(C) provision of medical appliances, including prosthetic devices;

(D) community-based residential programs for the disabled, including group homes that prepare consumers for independent living; and

(E) such additional services as the Administrator may determine, after consultation with appropriate State review boards, to be necessary to address special cases or circumstances,

provided on an inpatient or outpatient basis.

(14) SUBSTANCE ABUSE TREATMENT AND REHABILITATION SERVICES.—The term "substance abuse treatment and rehabilitation programs" means services to promote recovery from substance abuse, including—

(A) inpatient and outpatient hospital services;

(B) partial hospitalization and other types of day programs;

(C) crisis intervention;

(D) residential treatment or rehabilitation programs certified under Federal regulation;

(E) outpatient substance abuse treatment services provided through—

(i) community-based health care facilities and treatment programs; or

(ii) autonomous health care providers, including psychiatrists, clinical psychologists, clinical social workers, psychiatric nurse specialists, and such other qualified health care providers as the Administrator shall by regulation specify; and

(F) community-based residential programs, particularly programs that prepare individuals for independent living.

(15) VISION CARE SERVICES.—The term "vision care services" means—

(A) routine eye examinations, provided as frequently as the Administrator shall by regulation specify for consumers within specified age groups;

(B) provision of glasses and contact lenses, as frequently as the Administrator shall by regulation specify; and

(C) all medically necessary vision treatment.

SEC. 202. EXCLUSIONS.

Covered services do not include—

(1) cosmetic surgery, except medically necessary reconstructive surgery;

(2) cosmetic orthodontics;

(3) such amenities in inpatient facilities as the Administrator shall by regulation specify, such as private rooms, unless the amenities are medically necessary;

(4) medical examinations and medical reports required for purchasing or renewing life insurance policies, or as part of a civil action for the recovery of settlement or damages; or

(5) any service that a health care provider determines not to be medically necessary.

SEC. 203. PROHIBITIONS ON LIMITATIONS.

A State program may not limit the covered services provided to a consumer on the basis of a health condition of the individual that existed on the date of the enrollment of the consumer in the national health care program for services under the State program.

SEC. 204. ELIGIBILITY.

Persons enrolled under section 104 who are eligible for covered services shall include—

(1) with respect to long-term care services, individuals—

(A) over 18 years of age determined (in a manner specified by the Secretary)—

(i) to be unable to perform, without the assistance of an individual, at least 2 of the following 5 activities of daily living (or who has a similar level of disability due to cognitive impairment)—

(I) bathing;

(II) eating;

(III) dressing;

(IV) toileting; and

(V) transferring in and out of a bed or in and out of a chair; or

(ii) due to cognitive or mental impairments, requires supervision because the individual behaves in a manner that poses health or safety hazards to the individual or others; or

(B) under 19 years of age determined (in a manner specified by the Secretary) to meet such alternative standard of disability for children as the Secretary develops;

(2) with respect to hospice care services, terminally ill individuals, regardless of the cause of illness;

(3) with respect to services to be provided in schools, workplaces, and assisted living programs, such individuals as may be specified in the State plan described in section 102(b); and

(4) with respect to covered services not described in paragraphs (1) through (3), all individuals.

SEC. 205. ADDITIONAL AND DUPLICATE SERVICES.

(a) ADDITIONAL SERVICES.—

(1) CONSTRUCTION.—Except as provided in section 202, nothing in this Act shall be construed as limiting the health care services that a State program may provide.

(2) STATE FINANCING OF ADDITIONAL SERVICES.—There shall be no Federal financing available under this Act for health care services other than covered services.

(b) COVERAGE OF SERVICES.—

(1) PROHIBITION ON DUPLICATE PRIVATE INSURANCE.—No person may sell private insurance that provides coverage for health care services that duplicate covered services.

(2) COVERAGE OF ADDITIONAL BENEFITS.—Nothing in this Act shall be construed as prohibiting the sale of private insurance that provides health care services other than covered services.

(c) PRIVATE CARE.—

(1) ARRANGEMENTS.—Except as provided in paragraph (2), nothing in this Act shall be construed as prohibiting arrangements between a health care provider and an individual for the provision of covered services.

(2) LIMITATION.—Arrangements described in paragraph (1) shall provide for acceptance of payment as described in section 311(b)(1).

Subtitle B—Provision of Services

SEC. 211. HEALTH CARE PROVIDERS.

(a) CERTIFICATION AND LICENSING.—State programs shall include procedures for certification and licensing of health care providers participating in the national health care program in accordance with regulations prescribed under section 401(e)(1)(H) and other applicable Federal and State law.

(b) QUALITY ASSURANCE AND CONSUMER PROTECTION STANDARDS.—State agencies shall regulate the health care providers, and

shall ensure compliance with quality assurance standards prescribed under section 401(e)(1)(G), consumer protection standards prescribed under section 401(e)(1)(I), and other applicable Federal and State law.

(c) ENFORCEMENT.—A State agency that determines, after notice and an opportunity for a hearing, that a health care provider has repeatedly violated the quality assurance standards, or has been convicted of an offense involving medical malpractice, shall debar the provider from receiving payment under the State program. The State agency shall develop appropriate procedures for determining the length of the debarment and for terminating a debarment in an appropriate case.

SEC. 212. DELIVERY SYSTEMS.

(a) INNOVATIVE DELIVERY SYSTEMS.—State programs may implement innovative delivery systems of covered services, including private health services, State-operated health services, and Integrated Health Service Plans, to provide covered services.

(b) INTEGRATED HEALTH SERVICE PLANS.—

(1) IN GENERAL.—Each State agency shall provide for the review, and approval or disapproval, of health plans as Integrated Health Service Plans in the State for purposes of this Act.

(2) APPLICATION.—For purposes of obtaining the approval described in paragraph (1), an entity shall submit an application to the head of the State agency at such time, in such manner, and containing such information as the head of the State agency may require.

(3) NOTIFICATION OF APPROVAL.—Not later than 60 days after the date the entity submits the application described in paragraph (2), the head of the State agency shall notify the entity of the decision of the State agency approving or disapproving the plan.

(4) WITHDRAWAL OF APPROVAL.—If the head of the State agency determines, after notice and an opportunity for a hearing, that a health plan that has been previously approved as an Integrated Health Service Plan no longer meets the applicable requirements of this Act, the head of the State agency shall withdraw approval of the plan and shall, in accordance with regulations prescribed under section 401(e)(1)(B), provide a procedure under which individuals enrolled in the plan may be enrolled in other Integrated Health Service Plans.

SEC. 213. STATE LONG-TERM CARE COORDINATION AGENCIES.

(a) ESTABLISHMENT.—State agencies shall establish State long-term care coordination agencies, to ensure a continuum of care for every individual described in section 204(1).

(b) SERVICES.—Services provided through the agencies shall include—

(1) services of certified public or nonprofit coordination agencies, provided through qualified professionals that meet such professional standards as the Administrator shall prescribe under section 401(e)(1)(H), to serve as resources for health care facilities, physicians, and other health care providers; and

(2) long-term care coordination services as an integral part of long-term care services, as described in subsection (c), and of home and community-based benefits.

(c) LONG-TERM CARE SERVICES.—

(1) IN GENERAL.—State long-term care coordination agencies shall be responsible for screening all potential recipients of long-term care services and authorizing needed services.

(2) REQUIREMENTS.—State long-term care coordination agencies shall provide services in accordance with the following requirements:

(A) SETTING AND LEVEL OF CARE.—The setting and level of care to be provided to persons needing long-term care services shall be based on an assessment of the severity of cognitive impairment, inability to perform specified activities of daily living (as well as certain functional tasks), the level of disability, the need for regular ongoing care, behavioral and emotional problems, and the ability of family caregivers to care for persons in need.

(B) COORDINATION.—Long-term care services shall be coordinated with the provision of acute health care and other health care and mental health services if needed.

(C) REQUESTS.—All requests for services shall be processed in a timely manner.

(D) INTENSITY.—The intensity of care coordination provided under this subsection shall depend on the severity of need and the level of services required to meet the needs.

(E) OUTPATIENT EMPHASIS.—The agency shall place priority on maintaining consumers in their homes (with the necessary supports) or in community-based residential programs rather than inpatient facilities and nursing homes.

(F) EMERGENCY SITUATIONS.—The agency shall make provisions to respond to emergency situations, including first-time requests and consumers who are receiving ongoing services and who have a sudden change of status or condition.

(G) COST-EFFICIENT APPROACHES.—States shall have the flexibility to develop cost-efficient approaches to respond to requests for limited home and community-based services.

(H) COORDINATION.—State long-term care coordination agencies shall ensure coordination and continuity of care between service levels and different settings if applicable, which includes the ability to respond to crisis situations.

(I) QUALIFICATION STANDARDS.—Care coordination provided under this subsection shall meet defined qualification standards.

(J) OTHER HEALTH CARE DISCIPLINES.—Care coordinators shall utilize the services of other health care disciplines, and interdisciplinary teams if appropriate.

(K) CONSUMER INVOLVEMENT.—Consumers shall, to the extent the consumers are able, be involved in all decisions regarding long-term care services. Family or caregiver involvement shall occur if appropriate.

(3) CONTRACTS AND AGREEMENTS.—

(A) IN GENERAL.—State long-term care coordination agencies shall, with respect to the geographic area served by the agencies—

(i) enter into contracts or agreements with providers of long-term care services; and

(ii) authorize and disburse all funds for long-term care services.

(B) CRITERIA.—The contracts or agreements shall require performance criteria in accordance with Federal guidelines. Criteria shall address such issues as certification and licensure of the health care provider, expected level of service, staff qualifications, supervision, role of the long-term care coordination agency, rights of the consumer and health care providers, and provisions for necessary changes in level of care.

(4) INDEPENDENCE.—State long-term care coordination agencies shall be independent from any providers of long-term care services.

SEC. 214. INCORPORATION OF MISCELLANEOUS MEDICARE-RELATED PROVISIONS.

(a) PROVISIONS IN TITLE XVIII.—Except as otherwise specifically provided in this Act, the following provisions of the Social Security Act shall apply to this Act in the same manner as the provisions applied to title XVIII of the Social Security Act as of the day before the date of the enactment of this Act:

(1) Section 1819 (relating to requirements for, and assuring quality of care in, skilled nursing facilities), except that any reference in the section to a "skilled nursing facility" is deemed a reference to a "nursing facility".

(2) Section 1846 (relating to intermediate sanctions for providers of clinical diagnostic laboratory tests).

(3) Sections 1863 through 1865 (relating to consultation with State agencies and other organizations to develop conditions of participation for providers of services, use of State agencies to determine compliance by providers of services with conditions of participation, and effect of accreditation).

(4)(A) Subject to subparagraph (B), section 1866 (relating to agreements with providers of services).

(B)(i) The provisions of section 1866(a)(1)(N) shall not apply.

(ii) Under section 1866(a)(2), a health care provider may not impose any charge for covered services under this Act.

(iii) In the case of a hospital, the provider agreement under section 1866 shall prohibit a hospital from denying care to any eligible individual on any ground other than the hospital's inability to provide the care required.

(5) Section 1867 (relating to examination and treatment for emergency medical conditions and women in labor).

(6) Section 1869 (relating to determinations and appeals).

(7) Section 1870 (relating to overpayment on behalf of individuals and settlement of claims for covered services on behalf of deceased individuals).

(8) Sections 1871 through 1874 (relating to regulations, application of certain provisions of title II of the Social Security Act, designation of organization or publication by name, and administration).

(9)(A) Subject to subparagraph (B), section 1876 (relating to payments to health maintenance organizations and competitive medical plans) shall apply to eligible individuals under this Act in the same manner as it applies to individuals entitled to benefits under part A, and enrolled under part B, of title XVIII of the Social Security Act.

(B) In applying section 1876 under this Act—

(i) the provisions of such section relating only to individuals enrolled under part B of title XVIII of the Social Security Act shall not apply;

(ii) subject to subparagraph (C), any reference to a Trust Fund established under title XVIII of such Act and to benefits under such title is deemed a reference to the National Health Care Trust Fund and to covered services under this Act;

(iii) subject to subparagraph (C), the adjusted average per capita cost and adjusted community rate shall be determined on the basis of covered services under this Act; and

(iv) subsection (f) shall not apply.

(C) For purposes of subparagraph (B), covered services under this Act may, at the option of an eligible organization, not include benefits for nursing facility services that are not post-hospital extended care services and benefits for home and community-based services.

(10) Section 1877 (relating to limitation on certain physician referrals).

(11) Section 1878 (relating to the provider reimbursement review board), except that the hearings pursuant to such section shall

be on the approval of budgets under section 312 rather than the determination of payment amounts under title XVIII of the Social Security Act.

(12) Section 1891 (relating to conditions of participation for home health agencies; home health quality).

(13) Section 1892 (relating to offset of payments to individuals to collect past-due obligations arising from breach of scholarship and loan contract).

(b) TITLE XI PROVISIONS.—The following provisions of the Social Security Act shall apply to this Act in the same manner as they applied to title XVIII of the Social Security Act:

(1) Sections 1124, 1126, and 1128 through 1128B (relating to fraud and abuse).

(2) Section 1134 (relating to nonprofit hospital philanthropy).

(3) Section 1138 (relating to hospital protocols for organ procurement and standards for organ procurement agencies).

(4) Section 1142 (relating to research on outcomes of health care services and procedures), except that any reference in such section to a Trust Fund is deemed a reference to the National Health Care Trust Fund.

(5) Part B of title XI of the Social Security Act (relating to peer review of the utilization and quality of health care services).

SEC. 215. NONDISCRIMINATION.

(a) IN GENERAL.—No individual with responsibility for the administration of a State plan that receives assistance under this Act shall discriminate in the provision of covered services to eligible individuals on the basis of race, color, religion, sex, national origin, age, health condition, sexual preference, income, language, or geographic residence in an urban or rural area within the State.

(b) RULES AND REGULATIONS.—The Administrator shall promulgate rules and regulations to provide for the enforcement of this section, including provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until the Administration can provide notice and an opportunity to be heard.

TITLE III—REVENUE

Subtitle A—Budget Process

SEC. 301. NATIONAL AND STATE HEALTH BUDGETS.

(a) IN GENERAL.—

(1) EXPENDITURES AND REVENUES.—For each calendar year the Administrator shall establish a national health budget and, for each State, a State health budget that specifies—

(A) the level and application of expenditures to be made under this Act in the year in the United States and in the State, respectively; and

(B) the amount in and source of revenues of the Trust Fund in such year.

(2) BASIS.—Each State health budget established by the Administrator under this subsection shall—

(A) be based on—

(i) the population of the State;

(ii) reasonable differences in the prices for goods and services;

(iii) any special social, environmental, or other condition affecting health conditions or the need for health care services; and

(iv) the geographic distribution of the population of the State population, including the proportion of the population residing in rural or health professional shortage areas;

(B) be adjusted to account for States—

(i) with large populations;

(ii) with substantial numbers of residents in age categories that make disproportionately greater use of covered services;

(iii) with substantial numbers of residents below the income official poverty line, as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); and

(iv) whose residents exhibit a high incidence of certain health conditions, such as a high incidence of Acquired Immune Deficiency Syndrome or infant mortality; and

(C) not disproportionately discriminate against States with substantial rural populations.

(b) EXPENDITURE LEVEL.—The total level of expenditures to be specified in the national health budget under subsection (a) for a year may not exceed the level of expenditures for covered services under this Act made in the year preceding the effective date of this Act increased in a compounded manner for each succeeding year (up to the year involved) by the annual percentage increase in the gross national product for the preceding year.

(c) INSTITUTIONAL CAPITAL BUDGET.—

(1) IN GENERAL.—Each national health budget established under subsection (a) shall include an amount for total expenditures for capital-related items, provide for State capital budgets and specify the general manner in which such expenditures for capital-related items are to be distributed among the different types of health care facilities.

(2) FACTORS.—Each State capital budget under this section shall be established based solely on—

(A) the factors described in subparagraphs (A) and (C) through of subsection (a)(2); and

(B) reasonable differences in the prices for goods and services, as such differences affect the prices of the appropriate capital goods.

(d) HEALTH TRAINING BUDGET.—Each national health budget established under subsection (a) shall include an amount for total expenditures for direct medical education expenses for institutions receiving payments under section 312. Such budgets shall specify the general manner in which such expenditures are to be taken into account, shall be based on a national plan for training of medical personnel developed by the Administrator that shall emphasize training for primary and preventive care, and shall provide for State budgets for direct medical education expenses. Payments under such budgets for such expenditures shall take into account the method for payment for direct medical education expenses as described in section 1886(h) of the Social Security Act.

SEC. 302. PAYMENTS TO STATES.

The Administrator shall make payments from amounts in the Trust Fund to States with approved State programs.

SEC. 303. ESTABLISHMENT OF EXCHANGE PROGRAM.

The Administration shall establish a program under which a State that furnishes covered services to residents of another State receives credit for payments for the services against the amounts to which the other State is otherwise entitled to receive.

Subtitle B—Payments to Health Care Providers

SEC. 311. PAYMENTS TO HEALTH CARE PROVIDERS.

(a) IN GENERAL.—Each State program shall provide for a timely and administratively simple mechanism for the payment and reimbursement of health care providers in a manner consistent with this subtitle and in accordance with regulations prescribed under section 401(e)(1)(E).

(b) MANDATORY ASSIGNMENT.—

(1) ACCEPTANCE OF PAYMENTS.—Each health care provider that receives funding under the national health care program shall accept the payment amount recognized under the State program for covered services as payment in full for such services, provided to consumers, or to individuals entering into an arrangement described in section 205(c).

(2) PROHIBITION ON ADDITIONAL CHARGES.—Health care providers shall only impose charges on consumers—

(A) as provided in section 323; or

(B) with respect to services that are not covered services.

(c) CONTINUUM OF HEALTH CARE SERVICES.—State programs, in order to avoid fragmented care and promote a continuum of health care services, shall develop financial incentives in the payment and reimbursement mechanisms provided under this subtitle.

(d) EQUIPMENT AND CONSTRUCTION.—

(1) LIMITATIONS.—A State program shall, in accordance with regulations prescribed by the Administrator—

(A) limit acquisition of highly specialized or expensive medical equipment, which shall be carefully regulated to ensure appropriate and equitable utilization and distribution; and

(B) eliminate acquisition of expensive, highly specialized equipment by individual physicians and group practices, although the State program may make exceptions in rural health professional shortage areas.

(2) APPROVAL.—Approval for construction and renovation funds shall only be considered on the basis of utilization data and within the context of the State planning process under section 412.

(e) RURAL AND HEALTH PROFESSIONAL SHORTAGE AREAS.—In establishing the mechanism for payment and reimbursement of health care providers under this subtitle, the State program shall establish schedules and incentives in a manner that will encourage health care providers to practice or locate in rural and health professional shortage areas.

SEC. 312. PAYMENTS TO INSTITUTIONAL HEALTH CARE PROVIDERS.

(a) IN GENERAL.—Except as provided in subsection (c), payment for institutional care, including hospital services, shall be made in each State on the basis of an annual prospective budgeting system, established by the State consistent with the State health budget established under section 301 and after negotiations with institutional health care providers.

(b) HOSPITALS.—

(1) BUDGET.—

(A) IN GENERAL.—Each hospital shall receive prospectively a global budget. The budget will be developed through annual negotiations between the State agency and the hospital.

(B) FACTORS.—In developing the budget, the State agency shall consider the health needs of the area, the past expenditures of the hospital, inflation, previous financial and clinical performance (based on utilization data collected through the national health care data base), projected levels of services, technological advances or changes, wages and other costs, proposed new programs, type of hospital, and costs associated with meeting Federal and State regulations.

(C) ADJUSTMENTS.—End-of-the-year adjustments may be made to hospital budgets based on unforeseen factors, such as an increase or decrease in consumer load.

(2) OPERATING EXPENSES.—Global hospital budgets shall be used for operating expenses. Operating expenses shall include replacement of standard equipment and funds to promote innovation in health services. None

of the operating budget may be used for physical expansion, profit, marketing, or the purchase of expensive, highly specialized equipment.

(3) CAPITAL EXPANSION AND EQUIPMENT.—Separate funds for capital expansion and purchase of expensive equipment shall be subject to approval by the State agency, and consistent with the State capital budgets described in section 301(c)(1).

(4) FUNDRAISING.—Under Federal guidelines, hospitals may raise funds from private sources to pay for special services. Such additional funds may not change the operating budget. Any anticipated changes in the operating budget as a result of special services shall be negotiated with the State agency.

(5) HEALTH PROFESSIONAL SHORTAGE AREAS.—State programs shall provide subsidies to rural and urban hospitals in health professional shortage areas, including teaching hospitals, to ensure the viability of the health care facilities.

(c) OTHER HEALTH CARE FACILITIES.—

(1) DEFINITION.—As used in this subsection, the term "other health care facilities" shall include community clinics, migrant health centers, nursing homes, community-based programs, home health agencies, rehabilitation facilities, renal dialysis facilities, birthing centers, and health facilities operated by public health departments.

(2) PAYMENT.—States may determine whether other health care facilities shall be paid on the basis of a prospective global budget or per capita fee. Certain services, such as day health care centers, may be reimbursed on a per diem basis. The Administration shall determine whether the States may determine the per capita fee rates, or whether the rates shall be set by the Administration with regional variations.

(3) LIMITATIONS.—The same limitations described in subsection (b) regarding capital expenditures and operating expenses for hospitals shall apply to other health care facilities.

(4) HEALTH CARE PROVIDERS.—Health care providers employed in other health care facilities shall be salaried. Contractual arrangements shall be permitted for specialists that are not on the staff of such a facility.

(5) RURAL FACILITIES.—State programs shall provide special State subsidies for other health care facilities that are essential facilities in rural areas, to ensure the viability of the facilities.

SEC. 313. PAYMENTS FOR SERVICES BY INDIVIDUAL HEALTH CARE PROVIDERS.

(a) FEE SCHEDULES.—

(1) IN GENERAL.—Except as otherwise provided in this section, payment for services by individual health care providers shall be on a fee-for-service basis and based on payment schedules established by each State program in accordance with regulations prescribed under section 401(e)(1)(E).

(2) SCHEDULES.—Such schedules—

(A) shall be established after negotiations with organizations representing physicians and other health care providers;

(B) shall be based on a national relative value scale, developed by the Administration taking into account the relative value scale developed under section 1848 of the Social Security Act (42 U.S.C. 1395w-4), as in effect on the day before the date of the enactment of this Act;

(C) shall take into consideration regional variations; and

(D) shall be in amounts consistent with the State health budget adopted under section 301.

(3) TARGETS.—Expenditure targets on the annual State allocation of fee-for-service payments for each category of health care provider shall be established under the State programs. If a group of health care providers exceeds the annual expenditure target, State agencies shall have the flexibility to negotiate with the Administration and the health care provider group to modify the fee schedule for the following year to correct for overspending in the previous budget year.

(b) ALTERNATIVE PAYMENT MECHANISMS.—Payment for services by individual health care providers may be based on alternative payment methodologies, including capitation methods, annual salary and hourly payments, so long as the amount of payments under such methodology do not exceed, in the aggregate, the amount of payments that would otherwise be made under the methodology described in subsection (a).

(c) BILLING.—Individual health care providers shall submit bills to the State agency.

(d) COVERED EXPENSES.—Payment to individual health care providers shall cover health care provider earnings and basic operating expenses, and shall not include reimbursement for expensive, highly specialized equipment. Operating expenses shall include administrative overhead, employee wages, and replacement of standard equipment.

(e) GROUP PRACTICES.—Group practices may elect to be paid prospectively on a per capita basis rather than on a fee-for-service basis.

SEC. 314. PAYMENTS TO INTEGRATED HEALTH SERVICE PLANS.

(a) PAYMENT.—Integrated Health Service Plans shall be paid prospectively on a per capita basis or by means of a negotiated global budget, as determined by the State agency.

(b) INPATIENT CARE.—Such payment shall not cover inpatient care services. Inpatient facilities operated by the Integrated Health Service Plans will be paid for covered services on the same basis as all other inpatient facilities.

(c) HOSPITALS.—Integrated Health Service Plan-operated hospitals shall be paid for covered services on the same basis as all other hospitals under section 312.

(d) HEALTH CARE PROVIDERS.—All health care providers employed by the Integrated Health Service Plans shall be salaried. An Integrated Health Service Plan may enter into contractual arrangements with specialty health care providers not available on staff.

(e) DEVELOPMENT.—State programs shall provide incentives for the development of Integrated Health Service Plans.

SEC. 315. PAYMENTS FOR PRESCRIPTION DRUGS AND BIOLOGICALS.

(a) ESTABLISHMENT OF LIST.—

(1) IN GENERAL.—The Administrator shall establish a list of approved prescription drugs and biologicals that the Administrator determines are necessary for the maintenance or restoration of health or of employability or self-management and eligible to be provided as covered services.

(2) EXCLUSIONS.—The Administrator may exclude from the list described in paragraph (1) ineffective, unsafe, or overpriced drugs or biologicals if better alternatives are determined to be available.

(b) PRICES.—For each such listed prescription drug or biological that may be provided as a covered service under this Act, the Administrator shall from time to time, by regulation promulgated under section 401(e)(1)(F), determine a product price or prices that shall constitute the maximum to be recognized under this Act as the cost of the drug or biological to a health care provider. The Administrator may conduct negotiations, on behalf of State programs, with manufacturers and distributors of drugs or biologicals in determining the applicable product price or prices.

(c) CHARGES BY INDEPENDENT PHARMACIES.—Each State program shall provide for payment for such a listed prescription drug or biological furnished by an independent pharmacy based on the cost of the drug or biological to the pharmacy (not in excess of the applicable product price established under subsection (b)) plus a dispensing fee. In accordance with standards established by the Administrator under section 401(e)(1)(F), each State program, after consultation with representatives of the pharmaceutical profession, shall establish schedules of dispensing fees, designed to afford reasonable compensation to independent pharmacies after taking into account variations in their cost of operation resulting from regional differences, differences in the volume of prescription drugs and biologicals dispensed, differences in services provided, and other relevant factors.

(d) DEFINITIONS.—As used in this section, the terms "prescription drug" and "biological" mean a drug and a biological, respectively, described in section 1861(t) of the Social Security Act (42 U.S.C. 1395x(t)).

SEC. 316. APPROVED DEVICES AND EQUIPMENT.

(a) ESTABLISHMENT OF LIST.—

(1) IN GENERAL.—The Administrator shall establish a list of approved durable medical equipment and therapeutic devices and equipment (including eyeglasses, hearing aids, and prosthetic appliances), that the Administrator determines are necessary for the maintenance or restoration of health or of employability or self-management and eligible to be provided as covered services.

(2) EXCLUSIONS.—The Administrator may exclude from the list described in paragraph (1) ineffective, unsafe, or overpriced equipment or devices if better alternatives are determined to be available.

(b) CONSIDERATIONS AND CONDITIONS.—In establishing the list under subsection (a), the Administrator shall take into consideration the efficacy, safety, and cost of each item contained on such list, and shall attach to any item such conditions as the Administrator determines to be appropriate with respect to the circumstances under which, or the frequency with which, the item may be prescribed.

(c) PRICES.—For each such listed item that may be provided as a covered service under this Act, the Administrator shall from time to time, by regulation promulgated under section 401(e)(1)(F), determine a product price or prices that shall constitute the maximum to be recognized under this Act as the cost of the item to a health care provider. The Administrator may conduct negotiations, on behalf of State programs, with manufacturers and distributors of the equipment or devices described in subsection (a) in determining the applicable product price or prices.

(d) DEFINITION.—As used in this section, the terms "durable medical equipment" has the meaning given the term in section 1861(n) of the Social Security Act (42 U.S.C. 1395x(n)).

SEC. 317. GRIEVANCE PROCEDURE.

(a) BOARD.—The head of each State agency shall establish a State Payment Grievance Board. In selecting members of the State Payment Grievance Board, the head of the State agency shall ensure that members shall not perform duties inconsistent with their duties and responsibilities as members,

and shall ensure that an employee or agent engaged in the performance of investigative or prosecuting functions for the State agency in a case shall not, in the case or a factually related case, participate or advise in the decision, recommended decision, or State agency review of the decision, except as witness or counsel in public proceedings.

(b) APPEALS.—

(1) HEALTH CARE PROVIDERS.—A health care provider who is denied payment by an employee of a State agency, or a State long-term care coordination agency, for covered services may appeal the decision of the State agency, not later than 30 days after the decision, to a State Payment Grievance Board.

(2) PATIENTS.—In any case in which a health care provider determines that a requested service is not medically necessary with respect to a consumer, the health care provider shall inform the consumer of the opportunity to appeal the decision of the health care provider, not later than 30 days after the decision, to a State Payment Grievance Board.

(c) PROCEDURES.—Each State agency shall provide for effective procedures for the State Payment Grievance Board for hearing and resolving appeals brought under subsection (b) and for State agency review of the appeals.

Subtitle C—Sources of Revenue

SEC. 321. FEDERAL SOURCES OF REVENUE.

(a) PERSONAL INCOME TAX RATE INCREASE.—

(1) IN GENERAL.—Subsections (a) through (e) of section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) are each amended by striking "15%", "28%", and "31%" each place they appear and inserting "20%", "31%", and "39%", respectively.

(2) TECHNICAL AMENDMENTS.—

(A) Subsection (f) of section 1 of such Code is amended—

(i) by striking "1990" in paragraph (1) and inserting "1994", and

(ii) by striking "1989" in paragraph (3)(B) and inserting "1993".

(B) Subparagraph (B) of section 32(i)(1) of such Code is amended by striking "1989" and inserting "1993".

(C) Subparagraph (C) of section 41(e)(5) of such Code is amended by striking "1989" each place it appears and inserting "1993".

(D) Subparagraph (B) of section 63(c)(4) of such Code is amended by striking "1989" and inserting "1993".

(E) Clause (ii) of section 135(b)(2)(B) of such Code is amended by striking "1989" and inserting "1993".

(F) Subparagraphs (A)(ii) and (B)(ii) of section 151(d)(4) of such Code are each amended by striking "1989" and inserting "1993".

(G) Clause (ii) of section 513(h)(2)(C) of such Code is amended by striking "1989" each place it appears and inserting "1993".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(b) CORPORATE INCOME TAX RATE INCREASE.—

(1) IN GENERAL.—Subsection (b) of section 11 of the Internal Revenue Code of 1986 (relating to tax imposed on corporations) is amended by striking "34 percent" each place it appears and inserting "39 percent".

(2) CONFORMING AMENDMENTS.—

(A) Section 852(b)(3)(D)(iii) of such Code is amended by striking "66 percent" and inserting "61 percent".

(B) Section 1201(a) of such Code is amended by striking "34 percent" each place it appears and inserting "39 percent".

(C) Paragraphs (1) and (2) of section 1445(e) of such Code are each amended by striking "34 percent" and inserting "39 percent".

(D) Section 7518(g)(6)(A) of such Code and section 607(h)(6)(A) of the Merchant Marine Act, 1936 are each amended by striking "34 percent" and inserting "39 percent".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(c) ALTERNATIVE MINIMUM TAX INCREASE.—

(1) GENERAL RULE.—Subparagraph (A) of section 55(b)(1) (relating to tentative minimum tax) is amended by striking "20 percent (24 percent" and inserting "23 percent (27 percent".

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 897(a) is amended by striking "21" in the heading of such paragraph and in subparagraph (A) and inserting "27".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(d) INCREASE IN TAX ON CIGARETTES.—

(1) RATE OF TAX.—Subsection (b) of section 5701 of the Internal Revenue Code of 1986 (relating to rate of tax on cigarettes) is amended—

(A) by striking "$12 per thousand ($10 per thousand on cigarettes removed during 1991 or 1992)" in paragraph (1) and inserting "$20 per thousand"; and

(B) by striking "$25.20 per thousand ($21 per thousand on cigarettes removed during 1991 or 1992)" in paragraph (2) and inserting "$42 per thousand".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to articles removed after December 31, 1993.

(3) FLOOR STOCKS.—

(A) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed before January 1, 1994, and held on such date for sale by any person, there shall be imposed the following taxes:

(i) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $10 per thousand;

(ii) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $21 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(B) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(i) LIABILITY FOR TAX.—A person holding cigarettes on January 1, 1994, to which any tax imposed by subparagraph (A) applies shall be liable for such tax.

(ii) METHOD OF PAYMENT.—The tax imposed by subparagraph (A) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1986 and shall be due and payable on February 15, 1994, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on January 1, 1994.

(C) CIGARETTE.—For purposes of this paragraph, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1986.

(D) EXCEPTION FOR RETAIL STOCKS.—The taxes imposed by subparagraph (A) shall not apply to cigarettes in retail stocks held on January 1, 1994, at the place where intended to be sold at retail.

(E) FOREIGN TRADE ZONES.—Notwithstanding the Act of June 18, 1934 (19 U.S.C. 81a et seq.) or any other provision of law—

(i) cigarettes—

(I) on which taxes imposed by Federal law are determined, or customs duties are liquidated, by a customs officer pursuant to a request made under the first proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1994, and

(II) which are entered into the customs territory of the United States on or after January 1, 1994, from a foreign trade zone, and

(ii) cigarettes which—

(I) are placed under the supervision of a customs officer pursuant to the provisions of the second proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1994, and

(II) are entered into the customs territory of the United States on or after January 1, 1994, from a foreign trade zone,

shall be subject to the tax imposed by subparagraph (A) and such cigarettes shall, for purposes of subparagraph (A), be treated as being held on January 1, 1994, for sale.

(e) INCREASE IN EXCISE TAXES ON DISTILLED SPIRITS, WINE, AND BEER.—

(1) DISTILLED SPIRITS.—

(A) IN GENERAL.—Paragraphs (1) and (3) of section 5001(a) of the Internal Revenue Code of 1986 (relating to rate of tax on distilled spirits) are each amended by striking "$13.50" and inserting "$29.00".

(B) TECHNICAL AMENDMENT.—Paragraphs (1) and (2) of section 5010(a) of such Code (relating to credit for wine content and for flavors content) are each amended by striking "$13.50" and inserting "$29.00".

(2) WINE.—

(A) WINES CONTAINING NOT MORE THAN 14 PERCENT ALCOHOL.—Paragraph (1) of section 5041(b) of such Code (relating to rates of tax on wines) is amended by striking "$1.07" and inserting "$6.00".

(B) WINES CONTAINING MORE THAN 14 (BUT NOT MORE THAN 21) PERCENT ALCOHOL.—Paragraph (2) of section 5041(b) of such Code is amended by striking "$1.57" and inserting "$8.50".

(C) WINES CONTAINING MORE THAN 21 (BUT NOT MORE THAN 24) PERCENT ALCOHOL.—Paragraph (3) of section 5041(b) of such Code is amended by striking "$3.15" and inserting "$11.00".

(D) ARTIFICIALLY CARBONATED WINES.—Paragraph (5) of section 5041(b) of such Code is amended by striking "$3.30" and inserting "$11.00".

(3) BEER.—

(A) IN GENERAL.—Paragraph (1) of section 5051(a) of such Code (relating to imposition and rate of tax on beer) is amended by striking "$18" and inserting "$81".

(B) SMALL BREWERS.—Subparagraph (A) of section 5051(a)(2) of such Code (relating to reduced rate for certain domestic production) is amended by striking "$7" each place it appears and inserting "$31.50".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 1994.

(5) FLOOR STOCKS TAXES.—

(A) IMPOSITION OF TAX.—

(i) IN GENERAL.—In the case of any tax-increased article—

(I) on which tax was determined under part I of subchapter A of chapter 51 of the Internal Revenue Code of 1986 or section 7652 of such Code before January 1, 1994, and

(II) which is held on such date for sale by any person,

there shall be imposed a tax at the applicable rate on each such article.

(ii) APPLICABLE RATE.—For purposes of clause (i), the applicable rate is—

(I) $15.50 per proof gallon in the case of distilled spirits,

(II) $4.93 per wine gallon in the case of wine described in paragraph (1) of section 5041(b) of such Code, and

(III) $6.93 per wine gallon in the case of wine described in paragraph (2) of section 5041(b) of such Code, and

(IV) $7.85 per wine gallon in the case of wine described in paragraph (3) of section 5041(b) of such Code, and

(V) $7.70 per wine gallon in the case of wine described in paragraph (5) of section 5041(b) of such Code,

(VI) $63 per barrel in the case of beer described in paragraph (1) of section 5051(a) of such Code, and

(VII) $13.50 per barrel in the case of beer described in subparagraph (A) of section 5051(a)(2) of such Code.

In the case of a fraction of a gallon or barrel, the tax imposed by clause (i) shall be the same fraction as the amount of such tax imposed on a whole gallon or barrel.

(iii) TAX-INCREASED ARTICLE.—For purposes of this paragraph, the term "tax-increased article" means distilled spirits, wine described in paragraph (1), (2), (3), or (5) of section 5041(b) of such Code, and beer.

(B) EXCEPTION FOR CERTAIN SMALL WHOLESALE OR RETAIL DEALERS.—No tax shall be imposed by subparagraph (A) on tax-increased articles held on January 1, 1994, by any dealer if—

(i) the aggregate liquid volume of tax-increased articles held by such dealer on such date does not exceed 500 wine gallons, and

(ii) such dealer submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this subparagraph.

(C) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(i) LIABILITY FOR TAX.—A person holding any tax-increased article on January 1, 1994, to which the tax imposed by subparagraph (A) applies shall be liable for such tax.

(ii) METHOD OF PAYMENT.—The tax imposed by subparagraph (A) shall be paid in such manner as the Secretary shall prescribe by regulations.

(iii) TIME FOR PAYMENT.—The tax imposed by subparagraph (A) shall be paid on or before June 30, 1994.

(D) CONTROLLED GROUPS.—

(i) CORPORATIONS.—In the case of a controlled group the 500 wine gallon amount specified in subparagraph (B), shall be apportioned among the dealers who are component members of such group in such manner as the Secretary shall by regulations prescribe. For purposes of the preceding sentence, the term "controlled group" has the meaning given to such term by subsection (a) of section 1563 of such Code; except that for such purposes the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in such subsection.

(ii) NONINCORPORATED DEALERS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of clause (i) shall apply to a group of dealers under common control where 1 or more of such dealers is not a corporation.

(E) OTHER LAWS APPLICABLE.—

(i) IN GENERAL.—All provisions of law, including penalties, applicable to the comparable excise tax with respect to any tax-increased article shall, insofar as applicable and not inconsistent with the provisions of this paragraph, apply to the floor stocks taxes imposed by subparagraph (A) to the same extent as if such taxes were imposed by the comparable excise tax.

(ii) COMPARABLE EXCISE TAX.—For purposes of clause (i), the term "comparable excise tax" means—

(I) the tax imposed by section 5001 of such Code in the case of distilled spirits,

(II) the tax imposed by section 5041 of such Code in the case of wine, and

(III) the tax imposed by section 5051 of such Code in the case of beer.

(F) DEFINITIONS.—For purposes of this paragraph—

(i) IN GENERAL.—Terms used in this paragraph which are also used in subchapter A of chapter 51 of such Code shall have the respective meanings such terms have in such part.

(ii) PERSON.—The term "person" includes any State or political subdivision thereof, or any agency or instrumentality of a State or political subdivision thereof.

(iii) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(G) TREATMENT OF IMPORTED PERFUMES CONTAINING DISTILLED SPIRITS.—For purposes of this paragraph, any article described in section 5001(a)(3) of such Code shall be treated as distilled spirits; except that the tax imposed by subparagraph (A) shall be imposed on a wine gallon basis in lieu of a proof gallon basis. To the extent provided by regulations prescribed by the Secretary, the preceding sentence shall not apply to any article held on January 1, 1994, on the premises of a retail establishment.

(f) PAYROLL TAXES.—

(1) TAX ON EMPLOYEES.—Section 3101 of the Internal Revenue Code of 1986 (relating to rate of tax on employees) is amended by redesignating subsections (c) and (d) as subsections (d) and (e) and by inserting after subsection (b) the following new subsection:

"(c) NATIONAL HEALTH CARE PROGRAM.—In addition to the taxes imposed by the preceding subsections, there is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages (as defined in section 3121(a)) received by such individual after December 31, 1994, with respect to employment (as defined in section 3121(b)).".

(2) TAX ON EMPLOYERS.—Section 3111 of such Code (relating to rate of tax on employers) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) NATIONAL HEALTH CARE PROGRAM.—In addition to the taxes imposed by the preceding subsections, there is hereby imposed on every employer an excise tax, with respect to having individuals in such employer's employ, equal to 7.45 percent of the wages (as defined in section 3121(a)) paid by such employer during each calendar year beginning after December 31, 1994, with respect to employment (as defined in section 3121(b)).".

(3) TAX ON SELF-EMPLOYMENT INCOME.—Section 1401 of such Code (relating to rate of tax on self-employment income for hospital insurance) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) NATIONAL HEALTH CARE PROGRAM.—In addition to the taxes imposed by the preceding subsections, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to the sum of—

"(1) 1.45 percent, plus

"(2) 7.45 percent

of the amount of the self-employment income for such taxable year.".

(4) RAILROAD RETIREMENT TAXES.—Sections 3201(a), 3211(a), and 3221(a) of such Code (relating to tier 1 taxes) are each amended by striking "subsections (a) and (b)" each place it appears and inserting "subsections (a), (b), and (c)".

(5) ELIMINATION OF LIMIT ON EMPLOYER-PORTION OF WAGES OR SELF-EMPLOYMENT INCOME SUBJECT TO NATIONAL HEALTH CARE PROGRAM TAX.—

(A) WAGES.—Subsection (x) of section 3121 of the Internal Revenue Code of 1986 (relating to applicable contribution base) is amended by adding at the end thereof the following new paragraph:

"(3) NATIONAL HEALTH CARE PROGRAM.—For purposes of the taxes imposed by section 3111(c), the applicable contribution base for any calendar year is equal to the remuneration for employment paid to an individual for such calendar year.".

(B) SELF-EMPLOYMENT INCOME.—Subsection (k) of section 1402 of such Code (relating to applicable contribution base) is amended by adding at the end thereof the following new paragraph:

"(3) NATIONAL HEALTH CARE PROGRAM.—For purposes of the tax imposed by section 1401(c)(2), the applicable contribution base for any calendar year is equal to the individual's net earnings from self-employment for such calendar year.".

(C) CONFORMING AMENDMENTS.—

(i) Paragraph (2) of section 3121(x) of such Code is amended—

(I) by striking "section 3101(b) and 3111(b)" and inserting "sections 3101(b), 3111(b), and 3101(c)", and

(II) by striking "HOSPITAL INSURANCE" in the heading and inserting "HEALTH CARE".

(ii) Paragraph (2) of section 1402(k) of such Code is amended—

(I) by striking "section 1401(b)" and inserting "sections 1401(b) and 1401(c)(1)", and

(II) by striking "HOSPITAL INSURANCE" in the heading and inserting "HEALTH CARE".

(iii) Clause (i) of section 3231(e)(2)(B) of such Code is amended—

(I) by striking "subclause (II)" in subclause (I) and inserting "subclauses (II) and (III)", and

(II) by adding at the end thereof the following new subclauses:

"(III) EMPLOYER-PORTION OF NATIONAL HEALTH CARE PROGRAM.—For purposes of applying so much of the rate applicable under section 3221(a) as does not exceed the rate of tax in effect under section 3111(c), and for purposes of applying so much of the rate of tax applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1401(c)(2), the term 'applicable base' means for any calendar year the applicable contribution base determined under section 3121(x)(3) or 1401(k)(3) (as the case may be) for such calendar year.

"(IV) EMPLOYEE-PORTION OF NATIONAL HEALTH CARE PROGRAM.—For purposes of applying so much of the rate applicable under section 3201(a) as does not exceed the rate of tax in effect under section 3101(c), and for purposes of applying so much of the rate of tax applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1401(c)(1), the term 'applicable base' means for any calendar year the applicable contribution base determined under section 3121(x)(2) or 1401(k)(2) (as the case may be) for such calendar year.".

(iv) Subsection (c) of section 6413 of such Code is amended by adding at the end thereof the following new paragraph:

"(4) SEPARATE APPLICATION FOR NATIONAL HEALTH CARE PROGRAM TAXES.—In applying this subsection with respect to—

"(A) the tax imposed by section 3101(c) (or any amount equivalent to such tax), and

"(B) so much of the tax imposed by section 3201 as is determined at a rate not greater than the rate in effect under section 3101(c), the applicable contribution base determined under section 3121(x)(3) for any calendar year shall be substituted for 'contribution and benefit base (as determined under section 230 of the Social Security Act)' each place it appears.".

(6) ADDITIONAL STATE AND LOCAL EMPLOYEES SUBJECT TO NATIONAL HEALTH CARE PROGRAM TAXES.—Paragraph (2) of section 3121(u) of such Code is amended by striking subparagraphs (C) and (D).

(7) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to remuneration paid after December 31, 1994, and with respect to earnings from self-employment attributable to taxable years beginning after such date.

(g) TERMINATION OF HOSPITAL INSURANCE PAYROLL TAXES.—

(1) TAX ON EMPLOYEES.—Section 3101(b) of the Internal Revenue Code of 1986 (relating to rate of tax on employees for hospital insurance) is amended—

(A) by striking "and" at the end of paragraph (5), and

(B) by striking paragraph (6) and inserting the following new paragraphs:

"(6) with respect to wages received during the calendar years 1986 through 1994, the rate shall be 1.45 percent; and

"(7) with respect to wages received after December 31, 1994, the rate shall be 0 percent.".

(2) TAX ON EMPLOYERS.—Section 3111(b) of such Code (relating to rate of tax on employers for hospital insurance) is amended—

(A) by striking "and" at the end of paragraph (5), and

(B) by striking paragraph (6) and inserting the following new paragraphs:

"(6) with respect to wages received during the calendar years 1986 through 1994, the rate shall be 1.45 percent;

"(7) with respect to wages received after December 31, 1994, the rate shall be 0 percent.".

(3) TAX ON SELF-EMPLOYMENT INCOME.—Section 1401(b) of such Code (relating to rate of tax on self-employment income for hospital insurance) is amended by striking the table and inserting the following new table:

"In the case of a taxable year

.. Beginning after:	And before:	Percent:
.. December 31, 1985	January 1, 1995	2.90
.. December 31, 1994	.....	0.".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to remuneration paid after December 31, 1994, and with respect to earnings from self-employment attributable to taxable years beginning after such date.

(i) EMPLOYERS' MAINTENANCE OF EFFORT FOR RETIREES.—

(1) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to normal taxes and surtaxes) is amended by adding at the end thereof the following new part:

"PART VIII—HEALTH CARE TAXES

"Sec. 59B. Employers health care tax.

"SEC. 59B. EMPLOYERS HEALTH CARE TAX.

"(a) IN GENERAL.—In the case of an employer, there is imposed (in addition to any other tax imposed by this subtitle) a tax equal to the actuarially equivalent aggregate amount which would have been paid or incurred by the employer (or predecessor employer) during the taxable year for individual or family coverage of retired employees with respect to whom such employer had a contractual obligation on December 31, 1993, under group health plans (as defined in section 5000(b)(1)) in existence on such date.

"(b) TERMINATION.—This section shall not apply in any taxable year beginning after December 31, 2012.".

(2) CONFORMING AMENDMENT.—The table of parts of subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Part VIII. Health care taxes.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(j) TREATMENT OF HEALTH CARE DEDUCTIONS, EXCLUSIONS, AND CREDITS.—

(1) LIMITATION ON EXCLUSION OF COMPENSATION FOR INJURIES OR SICKNESS.—Subsection (a) of section 104 of the Internal Revenue Code of 1986 (relating to compensation for injuries or sickness) is amended—

(A) by striking paragraph (3) and inserting the following new paragraph:

"(3) amounts received through the national health care program for personal injuries or sickness;", and

(B) by striking the second sentence thereof.

(2) TERMINATION OF EXCLUSION FOR AMOUNTS RECEIVED UNDER ACCIDENT AND HEALTH PLANS.—

(A) IN GENERAL.—Section 105 of such Code (relating to amounts received under accident and health plans) is amended—

(i) by striking "income" and all that follows in subsection (a) and inserting "income.",

(ii) by striking subsections (b), (e), (f), (g), and (h), and

(iii) by redesignating subsections (c) and (i) as subsections (b) and (c), respectively.

(B) CONFORMING AMENDMENT.—Paragraph (6) of section 7871(a)(6) of such Code is amended by striking subparagraph (A) and by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively.

(3) TERMINATION OF EXCLUSION FOR CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS.—

(A) IN GENERAL.—Section 106 of such Code (relating to contributions by employer to accident and health plans) is repealed.

(B) CONFORMING AMENDMENTS.—

(i) Subsection (c) of section 104 of such Code is amended to read as follows:

"(c) CROSS REFERENCE.—

"For exclusion of part of disability retirement pay from the application of subsection (a)(4) of this section, see section 1403 of title 10, United States Code (relating to career compensation laws).".

(ii) Sections 414(n)(3)(C), 414(t)(2), and 6039D(d)(1) of such Code are each amended by striking "106,".

(4) LIMITATION ON CAFETERIA PLANS.—Subsection (g) of section 125 of such Code (relating to cafeteria plans) is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(5) BUSINESS EXPENSE DEDUCTION FOR EMPLOYER-PROVIDED FIRST AID ASSISTANCE.—Subsection (l) of section 162 of such Code (relating to trade or business expenses) is amended to read as follows:

"(l) FIRST AID ASSISTANCE.—The expenses paid or incurred by an employer for on-site first aid assistance provided to the employees of such employer shall be allowed as a deduction under this section.".

(6) TERMINATION OF DEDUCTION FOR MEDICAL EXPENSES.—

(A) IN GENERAL.—Section 213 of such Code (relating to medical, dental, etc., expenses) is repealed.

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (1) of section 56 of such Code is amended by striking subparagraph (B) and by redesignating subparagraph (C), (D), (E), and (F) as subparagraphs (B), (C), (D), and (E), respectively.

(ii) Subsection (b) of section 67 of such Code is amended by striking paragraph (5) and by redesignating paragraphs (6) through (13) as paragraphs (5) through (12), respectively.

(iii) Subsection (t) of section 72 of such Code is amended—

(I) in paragraph (2), by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B), and

(II) by striking "(B), and (C)" in paragraph (3)(A) and inserting "and (B)".

(iv) Subsection (e) of section 152 of such Code is amended by striking paragraph (6).

(7) TERMINATION OF PENSION PAYMENT OF MEDICAL BENEFITS.—Subsection (h) of section 401 of such Code (relating to qualified pension, profit-sharing, and stock bonus plans) is repealed.

(8) TERMINATION OF CHILD HEALTH INSURANCE CREDIT.—Clause (i) of section 32(b)(2)(A) of such Code (relating to health insurance credit) is amended by inserting "(0 percent for taxable years beginning after December 31, 1993)" after "6 percent".

(9) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to taxable years beginning after December 31, 1993.

(k) INCREASE IN INCOME TAXES ON SOCIAL SECURITY BENEFITS.—

(1) INCREASE IN AMOUNT OF BENEFITS TAKEN INTO ACCOUNT.—Subsections (a) and (b) of section 86 of such Code (relating to social security and tier 1 railroad retirement benefits) are each amended by striking "one-half" each place it appears and inserting "85 percent".

(2) INCOME THRESHOLDS REDUCED.—Subsection (c) of section 86 of such Code (defining base amount) is amended—

(A) by striking "$25,000" in paragraph (1) and inserting "$8,000", and

(B) by striking "$32,000" in paragraph (2) and inserting "$16,000".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(l) SECTION 15 NOT TO APPLY.—No amendment made by this section shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(m) NATIONAL HEALTH CARE PROGRAM PREMIUM FOR THE ELDERLY.—

(1) IN GENERAL.—Except as provided in paragraph (2), each individual who at any time in a month beginning after December 31, 1994, is 65 years of age or older and is eligible for benefits under this Act in the month shall pay a national health care program premium equal to the sum of:

(A) the amount of the premium for such month determined under section 1839 of the Social Security Act, determined as if such section had not been repealed under this Act, plus

(B) $25.

(2) REDUCTION FOR LOW-INCOME ELDERLY.—Individuals with an adjusted gross income

(as defined in section 62 of the Internal Revenue Code of 1986) which does not exceed 120 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) are not liable for the premium imposed under paragraph (1)(B).

(3) COLLECTION OF PREMIUM.—The premium imposed under this subsection shall be collected in the same manner (including deduction from Social Security checks) as the premium imposed under part B of title XVIII of the Social Security Act was collected under section 1840 of such Act as of the date of the enactment of this Act.

SEC. 322. STATE SOURCES OF REVENUE.

(a) IN GENERAL.—Each State shall be responsible for establishing a financing program for the implementation of the State program in the State. Such financing program may include State funding from general revenues, earmarked taxes, sales taxes, and such other measures consistent with this Act, including regulations prescribed under section 401(e)(1)(D), as the State may provide.

(b) MAINTENANCE OF EFFORT.—

(1) CONDITION OF COVERAGE.—Notwithstanding any other provision of this Act, no individual who is a resident of a State is eligible for covered services under this Act for a month in a calendar year, unless the State makes available under the financing program (in a manner and at a time specified by the Administrator), in addition to funds made available under subsection (c), in the month of the sum of—

(A) the product of $7.083 and the number of residents who are residents of the State and otherwise eligible for covered services under this Act in the month; and

(B) 85 percent of 1/12 of the amount specified in paragraph (2) for the year;

or, if less, 1/12 of the limiting amount specified in paragraph (3).

(2) MAINTENANCE OF EFFORT AMOUNT.—The amount of payment specified in this paragraph for a State for a year is equal to the amount of payment (net of Federal payments) made by a State under its State plan under title XIX of the Social Security Act for the year preceding the effective date of this Act, increased for the year involved by the compounded sum of the percentage increase in the gross national product of the State for each year after that year and up to the year before the year involved.

(3) LIMITING AMOUNT.—For purposes of paragraph (1), the limiting amount specified in this paragraph—

(A) for 1995, is the total amount of payment made by a State (net of any Federal payments made to the State) for health care services in 1994; or

(B) for any subsequent year, is the amount specified in this paragraph for the State for the previous year increased for the year involved by the compounded sum of the percentage increase in the gross national product of the State for each year after 1992 and up to the year before the year involved.

SEC. 323. COST-SHARING.

(a) MINIMUM COST-SHARING REQUIREMENTS.—Except as provided in subsection (b), each State program shall impose cost-sharing for payment to a health care facility of a portion (not to exceed 25 percent) of the cost of room and board for consumers receiving—

(1) the long-term care services described in section 201(b)(6)(C);

(2) the mental health services described in section 201(b)(7)(E);

(3) the rehabilitation services described in subparagraphs (D) and (E) of section 201(b)(13); and

(4) the substance abuse treatment and rehabilitation services described in section 201(b)(14)(F).

(b) WAIVER.—Each State agency shall waive the cost-sharing requirements described in subsection (a) for consumers below the income official poverty line, as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)).

SEC. 324. NATIONAL HEALTH CARE TRUST FUND.

(a) TRUST FUND ESTABLISHED.—

(1) IN GENERAL.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the "National Health Care Trust Fund". The Trust Fund shall consist of such gifts and bequests as may be made and such amounts as may be deposited in, or appropriated to, such Trust Fund as provided in this Act.

(2) TRANSFER OF AMOUNTS EQUIVALENT TO CERTAIN TAXES AND PREMIUMS.—

(A) TAX AND PREMIUM REVENUES.—There are hereby appropriated to the Trust Fund amounts equivalent to the additional revenues received in the Treasury as the result of the provisions of, and amendments made by, section 321.

(B) TRANSFERS BASED ON ESTIMATES.—The amounts appropriated by subparagraph (A) shall be transferred from time to time (not less frequently than monthly) from the general fund in the Treasury to the Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes and premiums, specified in such subparagraph, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes and premiums specified in such subparagraph.

(3) TRANSFER OF FUNDS.—All amounts, not otherwise obligated, that remain in the Federal Hospital Insurance Trust Fund and the Federal Supplemental Medical Insurance Trust Fund on January 1, 1995 shall be transferred to the Trust Fund.

(4) INCORPORATION OF TRUST FUND PROVISIONS.—The provisions of subsections (b) through (i) of section 1841 of the Social Security Act (42 U.S.C. 1395t), as in effect on the day before the date of the enactment of this Act, shall apply to the Trust Fund in the same manner as such provisions apply to the Federal Supplemental Medical Insurance Trust Fund, except that any reference to the Secretary of Health and Human Services or the Administrator of the Health Care Financing Administration shall be deemed a reference to the Administration.

(5) APPROPRIATION OF ADDITIONAL SUMS.—There are hereby authorized to be appropriated to the Trust Fund such additional sums as may be required to make expenditures referred to in subsection (b).

(b) EXPENDITURES.—

(1) TO STATES.—Payments in each calendar year to each State from the Trust Fund under section 302 are hereby authorized and appropriated.

(2) OTHER GRANT PROGRAMS.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for grant programs relating to health care services.

(3) ADMINISTRATIVE EXPENSES.—There are hereby authorized and appropriated such sums as are necessary for the administrative expenses of the Administration for each fiscal year, not to exceed 3 percent of the total payments made to the States for such fiscal year under section 302.

(c) TRUST FUND OFF-BUDGET.—The receipts and disbursements of the Trust Fund and the taxes described in subsection (a)(2) shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

TITLE IV—ADMINISTRATION

Subtitle A—Federal Administration

SEC. 401. NATIONAL HEALTH CARE ADMINISTRATION.

(a) ESTABLISHMENT.—There is established a National Health Care Administration that shall administer the programs established under this Act. The Administration shall be an independent establishment, as defined in section 104 of title 5, United States Code.

(b) ADMINISTRATOR OF HEALTH CARE.—

(1) APPOINTMENT.—There shall be in the Administration an Administrator of Health Care who shall be appointed by the President, with the advice and consent of the Senate.

(2) COMPENSATION.—The Administrator shall be compensated at the rate provided for level I of the Executive Schedule.

(3) TERM.—The Administrator shall be appointed for a term of 4 years coincident with the term of the President, or until the appointment of a qualified successor.

(4) QUALIFICATIONS.—The Administrator shall be selected on the basis of proven competence as a manager.

(5) POWERS.—The Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities of the Administration.

(6) DELEGATION.—The Administrator may, with respect to the administration of the national health care program, assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees as the Administrator may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Administrator.

(7) COORDINATION.—The Administrator and the Secretary of Health and Human Services shall consult, on an ongoing basis, to ensure the coordination of the programs administered by the Administrator under this Act with the programs administered by the Secretary under the Social Security Act (42 U.S.C. 301 et seq.) and the Public Health Service Act (42 U.S.C. 201 et seq.).

(c) PERSONNEL.—The Administrator shall appoint such additional officers and employees as the Administrator considers necessary to carry out the functions of the Administration under this Act. Except as otherwise provided in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

(d) EXPERTS AND CONSULTANTS.—The Administrator may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(e) REGULATIONS.—

(1) IN GENERAL.—The Administrator may prescribe such policies and regulations regarding the national health care program as

the Administrator determines to be necessary or appropriate, including policies and regulations relating to—

(A) eligibility;

(B) enrollment;

(C) covered services;

(D) State funding levels;

(E) payment of health care providers, including fee schedules for health care providers;

(F)(i) standards for dispensing fees for prescription drugs and biologicals (as defined in section 315); and

(ii) prices for such prescription drugs and biologicals, for durable medical equipment (as defined in section 316), and for therapeutic devices and equipment (including eyeglasses, hearing aids, and prosthetic appliances);

(G) quality assurance standards for health care facilities, other health care providers, and covered services;

(H) certification and licensing of health care providers;

(I) consumer protection standards;

(J) cost-sharing, as described in section 323;

(K) health care goals and priorities in consultation with the Public Health Service; and

(L) education and training programs for health care providers.

(2) QUALITY ASSURANCE, CERTIFICATION, AND LICENSING.—

(A) BASIS.—

(i) INFORMATION.—In developing regulations under paragraph (1)(G), the Administrator shall take into consideration information from the national health care data base.

(ii) PROFESSIONAL OPINIONS.—In developing regulations under subparagraphs (G) and (H) of paragraph (1), the Administrator shall consider the opinions of all appropriate professional organizations.

(iii) PEER REVIEW ORGANIZATIONS.—In developing regulations under paragraph (1)(G), the Administrator shall consider the recommendations of utilization and quality control peer review organizations established under section 1152 of the Social Security Act (42 U.S.C. 1320c-1).

(iv) COUNCIL.—In developing regulations under subparagraphs (G) and (I) of paragraph (1), the Administrator shall consider the recommendations of the National Council on Quality Assurance and Consumer Protection.

(B) FACILITIES AND SERVICES.—The Administrator shall prescribe regulations under paragraph (1)(G) covering all covered services and all health care facilities and other health care providers participating in the national health care program, including individual and group practitioners, hospitals, other inpatient and outpatient facilities, ambulatory facilities and services, home health agencies, care coordination services, and hospital discharge planning services.

(f) PLANNING FUNCTIONS.—The Administration shall—

(1) ensure that State health budgets under section 301 reflect the goals and priorities recommended by State and local planning boards; and

(2) meet at least biannually with representatives of State and local planning boards to—

(A) assess implementation;

(B) assist the boards in determining the goals and priorities for meeting health care needs; and

(C) assist the boards in planning, on the basis of cost and utilization data available through the national health care data base, for the efficient and effective use of existing health resources,

within each State and local planning area.

(g) PROGRAMS.—The Administration shall establish and carry out, directly or through grants or contracts, Federal—

(1) ombudsman programs;

(2) hotlines for complaints; and

(3) consumer and health care provider information and education programs designed to increase public understanding of the national health care program, including programs to distribute information from the national health care data base.

(h) NATIONAL HEALTH CARE DATA BASE.—The Administration shall establish and maintain a national health care data base, which shall include information regarding the quality, effectiveness, utilization, and cost of all covered services.

SEC. 402. NATIONAL HEALTH BOARD.

(a) ESTABLISHMENT OF BOARD.—There shall be established in the Administration a National Health Board.

(b) FUNCTIONS OF THE BOARD.—

(1) IN GENERAL.—The Board shall advise the Administrator on policies related to the national health care program established under this Act.

(2) SPECIFIC FUNCTIONS.—Specific functions of the Board shall include—

(A) studying and making recommendations regarding implementation of this Act and the most effective methods of providing covered services under this Act;

(B) studying and making recommendations relating to the coordination of other programs that provide health care services;

(C) reviewing and assessing the quality of service that the Administration provides to the public;

(D) reviewing and assessing the progress of the Administration in developing needed improvements in the management of programs;

(E) in consultation with the Administrator, reviewing the development and implementation of a long-range research and program evaluation plan for the Administration;

(F) reviewing and assessing any major studies of health care services as may come to the attention of the Board;

(G) assessing, for each region of the country, the information described in section 412(b)(1); and

(H) conducting such other reviews and assessments as the Board determines to be appropriate.

(c) STRUCTURE AND MEMBERSHIP OF THE BOARD.—The Board shall be composed of 25 members who shall be appointed by the President, with the advice and consent of the Senate, including—

(1) 4 members representing consumers;

(2) 4 members representing health care providers, each of whom shall represent a different provider group;

(3) 4 representatives of Federal departments and agencies, including at least one individual representing a public health agency;

(4) 4 representatives of State and local governments, including at least one individual representing a public health agency;

(5) 1 member of the National Council on Quality Assurance and Consumer Protection;

(6) 1 member representing the business community; and

(7) 1 member representing organized labor.

(d) TERMS OF APPOINTMENT.—Each member of the Board shall serve for a term of 5 years, except that—

(1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

(2) the terms of service of the members initially appointed shall be (as specified by the President) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

(e) VACANCIES.—Any vacancy occurring in the membership of the Board shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

(f) CHAIRPERSON.—The Board shall select a Chairperson from among its members.

(g) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Each member of the Board who is not an employee of the Federal Government shall receive compensation at the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Board, including attendance at meetings and conferences of the Board, and travel to conduct the duties of the Board.

(2) TRAVEL EXPENSES.—Each member of the Board shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(h) PERSONNEL.—

(1) STAFF DIRECTOR.—The Chairperson of the Board shall, without regard to title 5, United States Code, appoint a staff director who shall be paid at a rate equivalent to the rate for the Senior Executive Service.

(2) ADDITIONAL STAFF.—The Chairperson of the Board is authorized, without regard to title 5, United States Code, to appoint and fix the compensation of such staff as the Board determines to be necessary to carry out the functions of the Board.

(3) LIMITATIONS.—The rate of compensation for each staff member appointed under paragraph (2) shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day the staff member is engaged in the performance of duties for the Board. The Board may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(i) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Commission.

SEC. 403. NATIONAL COUNCIL ON QUALITY ASSURANCE AND CONSUMER PROTECTION.

(a) IN GENERAL.—The Administrator shall establish a National Council on Quality Assurance and Consumer Protection (referred to in this section as the "Council"), to conduct studies and oversight, and prepare recommendations concerning quality assurance and consumer protection procedures.

(b) DUTIES.—

(1) STUDY AND REPORT.—The Council shall conduct a study of quality assurance and consumer protection procedures. The Council shall submit a report to the Administrator containing the results of the study, including recommendations for regulations prescribed under subparagraphs (G) and (I) of section 401(e)(1).

(2) OVERSIGHT.—The Council shall collect information regarding the implementation of the regulations on a regular basis. The Council shall submit a report to the Administrator containing the information and recommendations for reform.

(c) MEMBERSHIP.—The Council shall be composed of 18 members appointed by the Administrator, including—

(1) 6 individuals with expertise regarding quality assurance in medical and mental health fields;

(2) 6 individuals representing consumers; and

(3) 4 individuals representing health care providers.

(d) TERM OF OFFICE.—Each member of the Council shall serve for a term of 5 years, except that—

(1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

(2) the term of service of the members initially appointed shall be (as specified by the Administrator) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

(e) VACANCIES.—Any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

(f) CHAIRPERSON.—The Council shall select a Chairperson from among its members.

(g) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Each member of the Council who is not an employee of the Federal Government shall receive compensation at the daily equivalent of 120 percent of the rate specified for GS–15 of the General Schedule under section 5332 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Council, including attendance at meetings and conferences of the Council, and travel to conduct the duties of the Council.

(2) TRAVEL EXPENSES.—Each member of the Council shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(h) POWERS.—The Council is authorized to—

(1) hold such hearings and sit and act at such times;

(2) take such testimony;

(3) have such printing and binding done;

(4) enter into such contracts and other arrangements;

(5) make such expenditures; and

(6) take such other actions,

as the Council may determine to be necessary to carry out the duties of the Council.

(i) OATHS.—Any member of the Council may administer oaths or affirmations to witnesses appearing before the Council.

(j) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Chairperson of the Council may secure directly from any Federal agency, information necessary to enable the Council to carry out the duties of the Council, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Chairperson, the head of the agency shall furnish the information to the Council.

(k) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Chairperson of the Council may accept for the Council voluntary services provided by a member of the Council.

(l) GIFTS AND DONATIONS.—The Council may accept, use, and dispose of gifts or donations of property in order to carry out the duties of the Council.

(m) USE OF MAIL.—The Council may use the United States mails in the same manner and under the same conditions as Federal agencies.

(n) STAFF.—

(1) APPOINTMENT AND COMPENSATION.—The Council may appoint and determine the compensation of such staff as the Council determines to be necessary to carry out the duties of the Council.

(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of 120 percent of the rate specified for GS–15 of the General Schedule under section 5332 of title 5, United States Code, for each day the staff member is engaged in the performance of duties for the Council. The Council may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(o) EXPERTS AND CONSULTANTS.—The Chairperson of the Council may obtain such temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Council determines to be necessary to carry out the duties of the Council.

(p) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Chairperson of the Council, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the Council to assist the Council in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(q) TECHNICAL ASSISTANCE.—On the request of the Chairperson of the Council, the head of a Federal agency shall provide such technical assistance to the Council as the Council determines to be necessary to carry out its duties.

(r) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Council such sums as may be necessary to carry out the provisions of this subtitle. The sums shall remain available until expended, without fiscal year limitation.

(s) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Council.

SEC. 404. MEDICAL MALPRACTICE COMMISSION.

(a) IN GENERAL.—The Administrator shall establish a Medical Malpractice Commission (referred to in this section as the "Commission"), to conduct a study and prepare recommendations concerning medical malpractice.

(b) MALPRACTICE STUDY.—

(1) STUDY.—The Commission shall conduct a study of medical malpractice. In conducting the study, the Commission shall examine methods for—

(A) reducing costs associated with malpractice insurance;

(B) reducing the basis for malpractice claims;

(C) targeting physicians and other health care providers who are incompetent; and

(D) developing mechanisms that will protect consumers who are victims of malpractice.

(2) REPORT.—Not later than 18 months after the date of the enactment of this subtitle, the Commission shall prepare and submit to the President and the appropriate committees of Congress a written report containing—

(A) the findings and conclusions of the Commission resulting from the study conducted under paragraph (1); and

(B) recommendations for medical malpractice reform, based on the findings and conclusions described in subparagraph (A).

(c) MEMBERSHIP.—The Commission shall be composed of 18 members appointed by the Administrator, including—

(1) 3 individuals with expertise regarding health care services;

(2) 3 individuals representing persons receiving health care services;

(3) 3 individuals representing public payers;

(4) 3 individuals representing private payers; and

(5) 3 individuals representing providers of health care services.

(d) TERM OF OFFICE.—Members shall be appointed for the life of the Commission.

(e) VACANCIES.—Any vacancy occurring in the membership of the Commission shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Commission.

(f) CHAIRPERSON.—The Commission shall select a Chairperson from among its members.

(g) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Each member of the Commission who is not an employee of the Federal Government shall receive compensation at the daily equivalent of 120 percent of the rate specified for GS–15 of the General Schedule under section 5332 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Commission, including attendance at meetings and conferences of the Commission, and travel to conduct the duties of the Commission.

(2) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(h) POWERS.—The Commission is authorized to—

(1) hold such hearings and sit and act at such times;

(2) take such testimony;

(3) have such printing and binding done;

(4) enter into such contracts and other arrangements;

(5) make such expenditures; and

(6) take such other actions,

as the Commission may determine to be necessary to carry out the duties of the Commission.

(i) OATHS.—Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(j) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Chairperson of the Commission may secure directly from any Federal agency, information necessary to enable the Commission to carry out the duties of the Commission, if the information may be dis-

closed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Chairperson, the head of the agency shall furnish the information to the Commission.

(k) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Chairperson of the Commission may accept for the Commission voluntary services provided by a member of the Commission.

(l) GIFTS AND DONATIONS.—The Commission may accept, use, and dispose of gifts or donations of property in order to carry out the duties of the Commission.

(m) USE OF MAIL.—The Commission may use the United States mails in the same manner and under the same conditions as Federal agencies.

(n) STAFF.—

(1) APPOINTMENT AND COMPENSATION.—The Commission may appoint and determine the compensation of such staff as the Commission determines to be necessary to carry out the duties of the Commission.

(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code for each day the staff member is engaged in the performance of duties for the Commission. The Commission may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(o) EXPERTS AND CONSULTANTS.—The Chairperson of the Commission may obtain such temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Commission determines to be necessary to carry out the duties of the Commission.

(p) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Chairperson of the Commission, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the Commission to assist the Commission in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(q) TECHNICAL ASSISTANCE.—On the request of the Chairperson of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

(r) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission such sums as may be necessary to carry out the provisions of this subtitle. The sums shall remain available until expended, without fiscal year limitation.

(s) TERMINATION.—Notwithstanding section 14 of the Federal Advisory Committee Act (5 U.S.C. App.), the Commission shall terminate 3 years after the date of the enactment of this Act.

SEC. 405. UTILIZATION AND QUALITY CONTROL PEER REVIEW ORGANIZATIONS.

(a) ORGANIZATION.—Section 1152 of the Social Security Act (42 U.S.C 1320c-1) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1)(A) is composed of a substantial number of licensed health care providers who are—

"(i) engaged in the practice of providing covered services under the National Health Care Act of 1993;

"(ii) representative of the practicing health care providers in the area, designated by the Secretary under section 1153, with respect to which the entity shall perform services under this part; and

"(iii) representative of the groups of health care providers providing services under the Act, with no group providing a majority of the membership of the organization; or

"(B) has available to it, by arrangement or otherwise, the services of a sufficient number of the licensed health care providers described in subparagraph (A) to ensure adequate peer review of the services provided by the various medical specialties and subspecialties of health care providers under the Act;".

(b) FUNCTIONS.—Section 1154(a) of the Social Security Act (42 U.S.C. 1320c-2(a)) is amended by adding at the end the following new paragraphs:

"(17) The organization shall make recommendations to the Administrator of the National Health Care Administration regarding establishment and revision of regulations prescribed under section 401(e)(1)(G) of the National Health Care Act of 1993.

"(18) The organization shall submit such reports to a Consumer Board established under section 1165(a) as the Secretary may by regulation require.".

(c) CONSUMER BOARDS.—Part B of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"SEC. 1165. CONSUMER BOARDS.

"(a) ESTABLISHMENT.—The Administrator shall establish Peer Review Organization Consumer Boards (referred to individually within this section as a 'Board') within geographic regions specified by the Administrator.

"(b) DUTIES.—

"(1) STUDY AND REPORT.—A Board shall conduct annual evaluations of the organizations described in section 1152 within the geographic region served by the Board. The Board shall submit a report to the Administrator of the National Health Care Administration (hereafter in this section referred to as the 'Administrator'), the National Board on Quality Assurance and Consumer Protection, and each Governor of a State within the region, containing the results of the evaluation, including recommendations for awards of contracts under this part.

"(2) EDUCATION PROGRAMS.—A Board shall establish and carry out education programs for consumers to provide information related to—

"(A) implementation of the quality assurance regulations prescribed under section 401(e)(1)(G) of the National Health Care Act of 1993; and

"(B) availability of assistance for consumers.

"(c) MEMBERSHIP.—

"(1) IN GENERAL.—The Board shall be composed of 5 to 11 members, depending on the size of the region, appointed by the Administrator.

"(2) REPRESENTATION.—In appointing members to the Board, the Administrator shall ensure that the members are representative of the racial and ethnic composition of the geographic region served by the Board.

"(3) ORGANIZATION REPRESENTATIVES.—The Administrator shall appoint to each Board not fewer than two members who shall serve on the Board of Directors of an organization described in section 1152 within the region and who shall not be health care providers.

"(d) TERM OF OFFICE.—Each member of the Board shall serve for a term of 3 years, except that—

"(1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

"(2) the terms of service of the members initially appointed shall be (as specified by the Administrator) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

"(e) VACANCIES.—Any vacancy occurring in the membership of the Board shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

"(f) CHAIRPERSON.—The Board shall select a Chairperson from among its members.

"(g) COMPENSATION AND EXPENSES.—

"(1) COMPENSATION.—Each member of the Board who is not an employee of the Federal Government shall receive compensation at the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Board, including attendance at meetings and conferences of the Board, and travel to conduct the duties of the Board.

"(2) TRAVEL EXPENSES.—Each member of the Board shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

"(h) POWERS.—The Board is authorized to—

"(1) hold such hearings and sit and act at such times;

"(2) take such testimony;

"(3) have such printing and binding done;

"(4) enter into such contracts and other arrangements;

"(5) make such expenditures; and

"(6) take such other actions,

as the Board may determine to be necessary to carry out the duties of the Board.

"(i) OATHS.—Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board.

"(j) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Chairperson of the Board may secure directly from any Federal agency, information necessary to enable the Board to carry out the duties of the Board, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Chairperson, the head of the agency shall furnish the information to the Board.

"(k) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Chairperson of the Board may accept for the Board voluntary services provided by a member of the Board.

"(l) GIFTS AND DONATIONS.—The Board may accept, use, and dispose of gifts or donations of property in order to carry out the duties of the Board.

"(m) USE OF MAIL.—The Board may use the United States mails in the same manner and under the same conditions as Federal agencies.

"(n) STAFF.—

"(1) APPOINTMENT AND COMPENSATION.—The Board may appoint and determine the compensation of such staff as the Board deter-

mines to be necessary to carry out the duties of the Board.

"(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day the staff member is engaged in the performance of duties for the Board. The Board may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

"(o) EXPERTS AND CONSULTANTS.—The Chairperson of the Board may obtain such temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Board determines to be necessary to carry out the duties of the Board.

"(p) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Chairperson of the Board, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the Board to assist the Board in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"(q) TECHNICAL ASSISTANCE.—On the request of the Chairperson of the Board, the head of a Federal agency shall provide such technical assistance to the Board as the Board determines to be necessary to carry out its duties.

"(r) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Board such sums as may be necessary to carry out the provisions of this subtitle. The sums shall remain available until expended, without fiscal year limitation.

"(s) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.".

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Except as otherwise specifically provided in this subsection, sections 1153, 1154, 1155, 1160, and 1164 of the Social Security Act (42 U.S.C. 1320c-2, 1320c-3, 1320c-4, 1320c-9, and 1320c-13) are amended by striking "title XVIII" each place the term appears and inserting "the National Health Care Act of 1993".

(2) Section 1153(a)(2)(B) of the Social Security Act (42 U.S.C. 1320c-2(a)(2)(B)) is amended by striking "title XIX" and inserting "the National Health Care Act of 1993".

(3) Section 1154(a)(3)(A) of the Social Security Act (42 U.S.C. 1320c-3(a)(3)(A)) is amended by striking "title XVIII of this Act" and inserting "the National Health Care Act of 1993".

(4) Section 1154(a)(14) of the Social Security Act (42 U.S.C. 1320c-3(a)(14)) is amended by striking "under such title" and inserting "under the National Health Care Act of 1993".

(5) Section 1156 of the Social Security Act (42 U.S.C. 1320c-5) is amended by striking "under this Act" each place the term appears and inserting "under the National Health Care Act of 1993".

(6) Section 1158(a) of the Social Security Act (42 U.S.C. 1320c-7(a)) is amended by striking "title XIX of this Act" and inserting "the National Health Care Act of 1993".

(7) Section 1161(5) of the Social Security Act (42 U.S.C. 1320c-12(5)) is amended by striking "title XVIII and XIX of this Act" and inserting "the National Health Care Act of 1993".

(8) Section 1164(c)(2) of the Social Security Act (42 U.S.C. 1320c-13(c)(2)) is amended by striking "part A or part B of title XVIII" and inserting "the National Health Care Act of 1993".

SEC. 406. PUBLIC HEALTH FUNCTIONS AND ACTIVITIES COMMISSION.

(a) IN GENERAL.—The Administrator shall establish a Public Health Functions and Activities Commission (referred to in this section as the "Commission").

(b) DUTIES.—

(1) STUDY AND RECOMMENDATIONS.—Not later than 6 months after the members of the Commission are appointed under subsection (c), the Commission shall conduct studies and prepare recommendations concerning—

(A) public health functions and activities that should remain separate from the national health care program;

(B) the integration of public health programs, including any appropriate programs funded through the maternal and child health block grant funds made available under title V of the Social Security Act (42 U.S.C. 701 et seq.), into the national health care program;

(C) increased program and funding needs for the training of health and allied health professionals, including professionals trained through the National Health Service Corps Scholarship Program, and the National Health Service Corps Loan Repayment Program, authorized under subpart III of part D of title III of the Public Health Service Act (42 U.S.C. 2541 et seq.) and the education and training programs authorized under titles VII and VIII of the Public Health Service Act (42 U.S.C. 292 et seq. and 296k et seq.);

(D) increased funding needs for—

(i) payments to States under the maternal and child health block grants under title V of the Social Security Act;

(ii) preventive health block grants under part A of title XIX of the Public Health Service Act (42 U.S.C. 300w et seq.);

(iii) grants to States for community mental health services under subpart I of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x-1 et seq.);

(iv) grants to States for prevention and treatment of substance abuse under subpart II of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x-21 et seq.); and

(v) grants for HIV health care services under parts A, B, and C of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-11 et seq., 300ff-21 et seq., and 300ff-41 et seq.); and

(E) the continued need for programs and activities operated by local and State public health departments.

(2) REPORT.—The Commission shall prepare and submit to the Administrator a report containing the recommendations described in paragraph (1).

(c) MEMBERSHIP.—The Commission shall be composed of 9 members appointed by the Administrator, including—

(1) 4 individuals representing public health agencies at the Federal, State, and local levels;

(2) 1 health economist; and

(3) 3 other health professionals.

(d) TERM OF OFFICE.—Each member of the Commission shall serve for the life of the Commission.

(e) VACANCIES.—Any vacancy occurring in the membership of the Commission shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Commission.

(f) CHAIRPERSON.—The Commission shall select a Chairperson from among its members.

(g) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Members of the Commission shall not receive compensation for service on the Commission.

(2) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(h) POWERS.—The Commission is authorized to—

(1) hold such hearings and sit and act at such times;

(2) take such testimony;

(3) have such printing and binding done;

(4) enter into such contracts and other arrangements;

(5) make such expenditures; and

(6) take such other actions,

as the Commission may determine to be necessary to carry out the duties of the Commission.

(i) OATHS.—Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(j) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Chairperson of the Commission may secure directly from any Federal agency, information necessary to enable the Commission to carry out the duties of the Commission, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Chairperson, the head of the agency shall furnish the information to the Commission.

(k) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Chairperson of the Commission may accept for the Commission voluntary services provided by a member of the Commission.

(l) GIFTS AND DONATIONS.—The Commission may accept, use, and dispose of gifts or donations of property in order to carry out the duties of the Commission.

(m) USE OF MAIL.—The Commission may use the United States mails in the same manner and under the same conditions as Federal agencies.

(n) STAFF.—

(1) APPOINTMENT AND COMPENSATION.—The Commission may appoint and determine the compensation of such staff as the Commission determines to be necessary to carry out the duties of the Commission.

(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code for each day the staff member is engaged in the performance of duties for the Commission. The Commission may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(o) EXPERTS AND CONSULTANTS.—The Chairperson of the Commission may obtain such temporary and intermittent services of ex-

perts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Commission determines to be necessary to carry out the duties of the Commission.

(p) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Chairperson of the Commission, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the Commission to assist the Commission in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(q) TECHNICAL ASSISTANCE.—On the request of the Chairperson of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

(r) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission such sums as may be necessary to carry out the provisions of this subtitle. The sums shall remain available until expended, without fiscal year limitation.

(s) TERMINATION.—The Commission shall terminate on submission of the report described in subsection (b)(2).

SEC. 407. TECHNICAL ASSISTANCE CENTERS.

(a) CENTERS.—The Administration shall provide on a regional basis (either directly or through contracts with nonprofit organizations) technical assistance centers for States and localities in—

(1) health program planning, development, and implementation;

(2) training;

(3) quality assurance, monitoring, and evaluation;

(4) budgeting;

(5) payment procedures; and

(6) development of integrated automated data processing systems.

(b) STATES WITH LIMITED CAPACITY.—The technical assistance centers shall provide resources to assist States that lack the capacity to implement certain aspects of the national health care program.

Subtitle B—State and Local Administration

SEC. 411. STATE AGENCY.

(a) IN GENERAL.—In order for a State to be eligible to receive payments under section 302, the State shall, in accordance with regulations established by the Administration, designate a State agency to be the sole State agency to carry out a State program under this Act.

(b) PLANNING FUNCTIONS.—The State agency shall develop, on the basis of recommendations made by State and local planning boards under section 412(c)—

(1) goals and priorities for developing health policy and programs;

(2) a plan for the equitable distribution of health resources, including the development of specialty health centers that—

(A) concentrate highly specialized medical procedures, equipment, and trained specialists; and

(B) avoid duplication of services;

(3) a plan for the integration of health services with appropriate social and human services; and

(4) a plan to ensure that quality discharge planning and social services are available to consumers in all inpatient facilities to provide for care coordination and continuity of care.

SEC. 412. STATE AND LOCAL PLANNING BOARDS.

(a) PLANNING BOARDS.—

(1) STATE BOARD.—Each State agency shall establish, in accordance with regulations established by the Administration, a State planning board, which shall be composed of 12 members who shall be appointed by the head of the State program, including—

(A) 4 members representing consumers, who shall be representative of the population of the State;

(B) 3 members representing health care providers;

(C) 1 member representing the business community;

(D) 1 member representing organized labor; and

(E) 2 representatives of appropriate State agencies, including health, public health, social services, education, public welfare, and employment agencies.

(2) LOCAL BOARDS.—Each State shall establish, in accordance with regulations established by the Administration, local planning boards, which shall be composed of 7 members who shall be appointed by the head of the State program, including—

(A) 2 members representing consumers, who shall be representative of the population of the local planning area;

(B) 2 members representing health care providers; and

(C) 2 representatives of appropriate local agencies, including health, public health, social services, education, public welfare, and employment agencies.

(3) TERMS OF APPOINTMENT.—Each member of a State or local planning board shall serve for a term of 3 years, except that a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term.

(4) VACANCIES.—Any vacancy occurring in the membership of a State or local planning board shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the board.

(b) ASSESSMENT.—

(1) INFORMATION.—The State and local planning boards shall assess, for each State or local planning area, respectively—

(A) the demand for, and quality, supply, and distribution of, health resources, including—

(i) acute care hospitals;

(ii) specialized inpatient facilities;

(iii) outpatient facilities;

(iv) health care providers;

(v) specialized medical equipment; and

(vi) home and community-based health programs; and

(B) the medical, mental, and psychosocial health needs.

(2) EMPHASIS.—In conducting the assessment described in paragraph (1), the State and local planning boards shall give special attention to health professional shortage areas and special populations of consumers.

(3) DATA.—The Administration shall make available all appropriate data from the national health care data base, and each State with a State program shall make available all appropriate data from any State health care data base, for use by State and local planning boards in conducting the assessment. In conducting the assessment, the State and local planning boards shall consider such data.

(c) RECOMMENDATIONS.—The State and local planning boards shall make recommendations to the State agency regarding the goals, priorities, and plans described in section 411(b), and shall make recommendations to the Administration regarding the State budget described in section 301.

TITLE V—TRANSITION AND RELATIONSHIP TO OTHER PROGRAMS

SEC. 501. EFFECTIVE DATE.

The national health care program shall first apply to covered services furnished after January 1, 1995.

SEC. 502. REPEALS AND INCORPORATIONS.

(a) REPEAL OF MEDICARE AND MEDICAID.—

(1) REPEAL.—Titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq. and 1396 et seq.) are repealed.

(b) REPEAL OF CHAMPUS PROVISIONS.—

(1) IN GENERAL.—

(A) AMENDMENTS TO CHAPTER 55 OF TITLE 10.—Sections 1079 through 1083, 1086, and 1097 through 1100 of title 10, United States Code, are repealed.

(B) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by striking the items relating to the sections referred to in subparagraph (A).

(2) CONFORMING AMENDMENTS.—Chapter 55 of title 10, United States Code, is amended as follows:

(A) DEFINITION.—Section 1072 is amended by striking paragraph (4).

(B) REIMBURSEMENT OF THE DEPARTMENT OF VETERANS AFFAIRS.—Section 1104(b) is amended—

(i) in the subsection heading, by striking "from CHAMPUS funds"; and

(ii) by striking "from funds" and all that follows and inserting "for medical care provided by the Department of Veterans Affairs pursuant to such agreement.".

(3) IMPLEMENTATION.—

(A) TERMINATION OF HEALTH CARE.—No health care may be provided under a CHAMPUS contract on or after the effective date of this section.

(B) SAVINGS PROVISION.—Payments for health care provided pursuant to a CHAMPUS contract before such date shall be made in accordance with such contract and the provisions of law referred to in paragraphs (1)(A) and (2), as such provisions of law were in effect on the day before such effective date.

(C) DEFINITION.—As used in this subsection, the term "CHAMPUS contract" means—

(i) a contract for an insurance, medical service, or health care plan entered into pursuant to section 1079(a) of title 10, United States Code;

(ii) a contract for health benefits under such a plan entered into pursuant to section 1086(a) of such title; and

(iii) a contract for the delivery of health care entered into pursuant to section 1097 of such title.

(c) REPEAL OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CARE PROVISIONS.—

(1) IN GENERAL.—Title 38, United States Code, is amended as follows:

(A) CHAPTER 17.—Chapter 17 is repealed.

(B) CHAPTER 73.—Chapter 73 is repealed.

(C) CHAPTER 81.—Chapter 81 is repealed.

(D) CHAPTER 82.—Chapter 82 is repealed.

(2) CONFORMING AMENDMENTS.—

(A) RELATING TO CHAPTER 17.—The table of chapters at the beginning of title 38, United States Code, and part II of such title are amended by striking out the item relating to chapter 17.

(B) RELATING TO CHAPTER 73.—The table of chapters at the beginning of such title and part V of such title are amended by striking out the item relating to chapter 73.

(C) RELATING TO CHAPTERS 81 AND 82.—The table of chapters at the beginning of such title and part VI of such title are amended by striking out the items relating to chapter 81 and 82.

(3) IMPLEMENTATION.—

(A) TERMINATION OF HEALTH CARE AND OTHER ASSISTANCE.—No health care, nursing home care, domiciliary care, other medical care, or financial or other assistance related to such care may be provided by contract or otherwise under chapter 17, 73, 81, or 82 of title 38, United States Code, on or after the effective date of this section.

(B) SAVINGS PROVISION.—

(i) IN GENERAL.—Payments pursuant to contracts and agreements referred to in clause (ii) before such date shall be made in accordance with such contracts and agreements and the provisions of law referred to in paragraph (1) as such provisions were in effect on the day before such effective date.

(ii) CONTRACTS AND AGREEMENTS.—Contracts and agreements referred to in clause (i) are contracts and agreements under title 38, United States Code that are:

(I) contracts for hospital care and medical services in non-Department of Veterans Affairs facilities under section 603;

(II) contracts with organizations for emergency medical services under section 611;

(III) contracts for medical treatment in such facilities under section 612(a)(6);

(IV) contracts for counseling and related medical health services under section 612A(e);

(V) contracts for prosthetic appliances under section 614(a);

(VI) contracts for therapeutic and rehabilitative services under section 618(b);

(VII) contracts for nursing home care and adult day health care under section 620(d)(1);

(VIII) contracts for treatment of alcohol, drug abuse, or abuse disabilities under section 620A(a)(1);

(IX) contracts for hospital care, medical services and nursing home care abroad under section 624(c);

(X) contracts to provide care and treatment by the Veterans Memorial Medical Center of the Philippines under section 632(a);

(XI) contracts for activities conducted by employees of the Federal Government other than employees of the Department of Veterans Affairs under section 5010(c);

(XII) sharing agreements with the Department of Defense under section 5011(d);

(XIII) contracts for furnishing health-care services to members of the Armed Forces under section 5011(b);

(XIV) contracts for prosthetic appliances under section 5023;

(XV) contracts for procurement of health-care items under section 5025(b); and

(XVI) contracts for securing specialized medical resources under section 5053(a).

(d) REPEAL OF FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.—Chapter 89 of title 5, United States Code, is repealed.

(e) PROVISION OF SERVICES BY INDIAN HEALTH SERVICE.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall provide covered services to eligible individuals not enrolled in the Program through the Indian Health Service in lieu of health services provided by the Service on the date of the enactment of this Act, including services provided under sections 201 through 204 of the Indian Health Care Improvement Act (25 U.S.C. 1621 et seq.).

(f) EFFECTIVE DATE.—Except as provided in section 503(b), this section and the amendments made by this section shall take effect on January 1, 1995.

SEC. 503. TRANSITION.

(a) STATE PROGRAM GRANTS.—

(1) ESTABLISHMENT.—The Administrator shall award grants to States to enable the States—

(A) to plan and develop State programs; and

(B) to award grants and make loans to nonprofit organizations to assist the organizations in establishing Integrated Health Service Plans.

(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1), a State shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for each of the 1993 through 1995 fiscal years.

(b) STUDY AND REPORT.—

(1) STUDY.—The Administrator shall, in consultation with the Secretary of Health and Human Services, the Secretary of Defense, the Secretary of Veterans Affairs, and the Director of the Office of Personnel Management examine possible strategies for accomplishing the transition and provision of services described in section 502.

(2) REPORT.—Not later than January 1, 1993, the Administrator shall submit to the appropriate committees of Congress a report containing—

(A) the recommendations of the Public Health Functions and Activities Commission set forth in the report described in section 406(b)(2);

(B) the findings and conclusions of the Administrator, based on the study described in paragraph (1); and

(C) recommendations for legislative reform to accomplish the transition and provision of services described in section 502.

(3) MODIFICATION.—Notwithstanding any other provision of this Act and to the extent the Administration determines it is appropriate and fiscally responsible, the Administration may include in the report recommendations to reduce the period between the date of the enactment of this Act and the effective dates otherwise provided in this Act.

(4) EFFECT OF RECOMMENDATIONS.—Unless the Congress enacts a disapproval resolution under the procedures described in section 504 not later than the date that is 60 days after the submission of the report described in paragraph (2), on such date—

(A) the recommendations contained within the report shall have the force of law; and

(B) the Secretary shall, in accordance with this Act, provide covered services to all individuals that received the services under the provisions of law specified in section 502.

(c) REGULATIONS.—

(1) IN GENERAL.—The Administrator shall issue such regulations as are necessary to provide for a transition to the national health care program from the programs that are repealed under subsections (a) through (c) of section 502, and the provisions of services by the Indian Health Service under section 502(d).

(2) CONSIDERATIONS.—In promulgating the regulations described in paragraph (1) the Administrator shall take into consideration the findings and conclusions of the study described in subsection (b)(1).

SEC. 504. RULES GOVERNING CONGRESSIONAL CONSIDERATION.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of disapproval resolutions described in subsection (b), and supersedes other rules only to the extent that such rules are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) TERMS OF THE RESOLUTION.—For purposes of this Act, the term "disapproval resolution" means only a joint resolution of the two Houses of the Congress, providing in—

(1) the matter after the resolving clause of which is as follows: "That the Congress disapproves the action of the National Health Care Administration as submitted by the Administration on _____",

the blank space being filled in with the appropriate date; and

(2) the title of which is as follows: "Joint Resolution disapproving the action of the National Health Care Administration".

(c) INTRODUCTION AND REFERRAL.—On the day on which the action of the Administration is transmitted to the House of Representatives and the Senate, a disapproval resolution with respect to such action shall be introduced (by request) in the House of Representatives by the Majority Leader of the House, for himself and the Minority Leader of the House, or by Members of the House designated by the Majority Leader of the House, for himself and the Minority Leader of the House, or by Members of the House designated by the Majority Leader and Minority Leader of the House; and shall be introduced (by request) in the Senate by the Majority Leader of the Senate, for himself and the Minority Leader of the Senate, or by Members of the Senate designated by the Majority Leader and Minority Leader of the Senate. If either House is not in session on the day on which such an action is transmitted, the disapproval resolution with respect to such action shall be introduced in the House, as provided in the preceding sentence, on the first day thereafter on which the House is in session. The disapproval resolution introduced in the House of Representatives and the Senate shall be referred to the appropriate committees of each House.

(d) AMENDMENTS PROHIBITED.—No amendment to a disapproval resolution shall be in order in either the House of Representatives or the Senate; and no motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this subsection by unanimous consent.

(e) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), if the committee or committees of either House to which a disapproval resolution has been referred have not reported it at the close of the 45th day after its introduction, such committee or committees shall be automatically discharged from further consideration of the disapproval resolution and it shall be placed on the appropriation calendar. A vote on final passage of the disapproval resolution shall be taken in each House on or before the close of the 45th day after the disapproval resolution is reported by the committees or committee of that House to which it was referred, or after such

committee or committees have been discharged from further consideration of the disapproval resolution. If prior to the passage by one House of a disapproval resolution of that House, that House receives the same disapproval resolution from the other House then—

(A) the procedure in that House shall be the same as if no disapproval resolution had been received from the other House; but

(B) the vote on final passage shall be on the disapproval resolution of the other House.

(2) COMPUTATION OF DAYS.—For purposes of paragraph (1), in computing a number of days in either House, there shall be excluded any day on which the House is not in session.

(f) FLOOR CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(1) MOTION TO PROCEED.—A motion in the House of Representatives to proceed to the consideration of a disapproval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) DEBATE.—Debate in the House of Representatives on a disapproval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the disapproval resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit a disapproval resolution or to move to reconsider the vote by which a disapproval resolution is agreed to or disagreed to.

(3) MOTION TO POSTPONE.—Motions to postpone, made in the House of Representatives with respect to the consideration of a disapproval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) APPEALS.—All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a disapproval resolution shall be decided without debate.

(5) GENERAL RULES APPLY.—Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a disapproval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(g) FLOOR CONSIDERATION IN THE SENATE.—

(1) MOTION TO PROCEED.—A motion in the Senate to proceed to the consideration of a disapproval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) GENERAL DEBATE.—Debate in the Senate on a disapproval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

(3) DEBATE OF MOTIONS AND APPEALS.—Debate in the Senate on any debatable motion or appeal in connection with a disapproval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the disapproval resolution, except that in the event the manager of the disapproval resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the Minority Leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a disapproval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) OTHER MOTIONS.—A motion in the Senate to further limit debate is not debatable. A motion to recommit a disapproval resolution is not in order.

(h) POINT OF ORDER REQUIRING SUPER MAJORITY FOR MODIFICATIONS TO ACTIONS ONCE APPROVED.—

(1) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any amendment to the actions of the National Health Care Administration except as provided in paragraph (2).

(2) WAIVER.—The point of order described in paragraph (1) may be waived or suspended in the House of Representatives or the Senate only, by the affirmative vote of three-fifths of the Members duly chosen and sworn.

SEC. 505. RELATION TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

The provisions of the Employee Retirement Income Security Act (29 U.S.C. 1001 et seq.) are superseded to the extent inconsistent with the requirements of this Act.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. BILL OF RIGHTS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that consumers in the national health care program shall have the rights specified in the bill of rights set forth in subsection (b).

(b) BILL OF RIGHTS.—

(1) Consumers shall have the right to—

(A) receive timely health-related information; and

(B) be involved in decisions affecting their health;

(C) receive prompt evaluation, humane care, and professional treatment;

(D) receive services without regard to race, color, religion, sex, national origin, age, health condition, sexual preference, income, language, or geographic residence in an urban or rural area;

(E) refuse treatment or prescribed services and know the consequences of such refusal;

(F) be treated with dignity and respect;

(G) maintain privacy and confidentiality;

(H) maintain confidentiality of financial and health records;

(I) obtain access to medical records;

(J) obtain treatment in the least restrictive setting;

(K) express or file grievances;

(L) be informed if treatment or services are denied, reduced, or terminated;

(M) obtain information and forms that are easily understood and that are written in a language understood by the consumer or health care provider;

(N) obtain health care services that are sensitive to the cultural attitudes of the consumer population being served; and

(O) receive quality health care services in any penal institution.

SEC. 602. RESEARCH AND SERVICE DELIVERY IMPROVEMENT PROGRAM GRANTS.

(a) IN GENERAL.—The Administrator shall make grants to eligible entities to conduct research that will examine, or carry out programs that will develop—

(1)(A) ways of better providing covered services through the national health care program to consumers residing in rural, central city, and other health professional shortage areas; and

(B) alternative models for delivering primary health and mental health services to medically underserved populations, including the use of outreach mobile services, transportation, home visiting, and systems to promote linkages with essential health and other human services;

(2) the effectiveness of the national health care program in enabling access to health care services for minorities, women, and other special populations who have traditionally had problems with access to health care (to be initiated 2 years from the date of implementation);

(3) the relationship between—

(A) psychosocial well-being; and

(B) prevention of illness and disease;

(4) successful health education and treatment approaches in avoiding preventable illnesses and diseases;

(5) innovative prevention, treatment, and service delivery approaches to health and mental health care delivery to mentally impaired persons;

(6) innovative prevention, treatment, and service delivery approaches to improve the mental health and psychosocial well-being of the elderly;

(7) the impact of interprofessional collaboration on the effectiveness of care coordination in inpatient and outpatient health care settings, including long-term care settings;

(8) quality assurance and program effectiveness with respect to mental health care services;

(9) quality indicators for measuring treatment effectiveness;

(10) the effectiveness of, and reductions of cost in, selective, widely used diagnostic and treatment procedures;

(11) alternative approaches to continuing education programs for health care personnel in rural areas; and

(12) innovations in service delivery that enhance continuity of care, care coordination, and service efficiency and effectiveness.

(b) APPLICATION.—To be eligible to receive a grant under this section, an entity shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require, including an assurance that the entity shall submit to the Administrator such information as the Administrator may require to comply with subsection (c).

(c) ANNUAL REPORT.—The Administrator shall prepare and submit a report to Congress by not later than April 1 of each year (beginning with 1995) concerning the progress of the research and demonstration projects conducted under this section.

SEC. 603. PREVENTION, HEALTH PROMOTION, AND HEALTH AWARENESS PROGRAM GRANTS.

(a) ESTABLISHMENT.—The Administrator shall make grants to eligible entities to establish—

(1) innovative statewide or local prevention and health promotion programs, such as community-based wellness and outreach programs and school-based programs;

(2) health awareness programs in schools, workplaces, health and social agencies; and

(3) community-based programs to prevent community health problems, such as adolescent pregnancy, drug abuse, family violence, and violence in the schools.

(b) APPLICATION.—To be eligible to receive a grant under this section, an entity shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require.

SEC. 604. DISPLACED WORKERS.

Section 301(a)(1)(B) of the Job Training Partnership Act (29 U.S.C. 1651(a)(1)(B)) is amended by adding before the semicolon the

following: ", or as a result of reductions in health insurance industry jobs due to the establishment of the national health care program under the National Health Care Act of 1993, as determined in accordance with regulations of the Secretary of Health and Human Services".

SUMMARY OF THE NATIONAL HEALTH CARE ACT OF 1993

The National Health Care Act of 1993 fundamentally restructures the current health care system. This bill would offer full coverage for high quality, cost-efficient, and equitably financed health and mental health care to all Americans. The national health plan proposes a federally administered, single-payer system with state responsibility to ensure delivery of health services, payment to all providers, and planning in accordance with Federal guidelines. The plan provides coverage of comprehensive benefits, including long-term care. Enrollees have the freedom to choose among a full range of public and private providers, including alternative delivery plans.

The national health care plan is financed primarily through a progressive Federal dedicated tax on personal income and employer-paid payroll and corporate income taxes. States are expected to pay their fair share through a formula-based contribution.

While it's anticipated that the plan's costs may initially come close to the current level of health care expenditures, the unique delivery system improvements and the cost containment features built into the proposal are expected to decrease health care expenditures over time. The national health plan expands coverage to the 37 million uninsured, as well as the millions who are underinsured, and eliminates the inequities in paying for health care that characterize our current system.

COVERAGE AND ENROLLMENT

All persons residing in the United States are covered through the national health plan. Each person has the freedom to choose from among any of the participating public and private providers, facilities or care delivery options. Individuals will enroll in the national health plan in the State in which they reside.

Coverage through employers or other privately purchased health insurance is discontinued, although private insurance plans may provide coverage for services not covered under the national health plan.

BENEFITS

Care Coordination services.

Primary prevention and health promotion services, including comprehensive well-child care for everyone 0–21; diagnosis and evaluation of suspected health, mental health or developmental problems; perinatal and infant health care; parent and caregiver training to support child health and developmental services for high-risk children; routine, age-appropriate, clinical health maintenance examinations for everyone over 21; family planning services; and school-based primary prevention programs.

Outpatient primary care services.

Mental health services.

Substance abuse treatment and rehabilitation programs.

Inpatient and outpatient hospital services, including discharge planning, social services, and emergency and trauma services.

Inpatient and outpatient professional services.

Laboratory and radiology services.

Long-term care, including home and community-based services.

Hospice care.

Prescription drugs, medical supplies, and durable medical equipment.

Dental services, including preventive and curative care.

Hearing and speech services.

Vision care.

EXCLUSIONS

Health services excluded from coverage include cosmetic surgery, except medically necessary reconstructive surgery; and certain amenities in inpatient facilities, such as private rooms, unless medically necessary.

COST-SHARING

There are no copayments or deductibles for health care services. However, residents of nursing homes and other residential facilities are required to pay a modes room and board fee. These fees may be waived for those below the poverty line.

IMPROVED SERVICE DELIVERY PROVISIONS

The National Health Care Act provides unique and improved prevention and health promotion services; promotes comprehensive, coordinated, and continuous care that addresses the total health needs of every person through the use of primary care providers, care coordination services, and the promotion of comprehensive, integrated health delivery plans; provides access to health services to underserved populations; promotes the expansion of community-based health and mental health services; and establishes screening and care coordination systems for the delivery of long-term care.

ADMINISTRATION

A new independent Federal agency is established to administer the national health care plan. The new agency will receive policy direction from an appointed national health care board representing health experts and consumers. All responsibilities of the Health Care Financing Administration are transferred to the new agency. Medicare, Medicaid, CHAMPUS, the Federal Employee Health Benefits Program, and the Department of Veterans Affairs' health programs are folded into the national health care plan.

The agency provides the States with an annual global budget for all covered health care expenditures. The global budget for each State is based on a formula that considers size of population, age distribution, the cost of delivering care, socio-economic factors, and a number of key health status indicators. State global budgets will include all state health block grant funds.

The States, in accordance with Federal guidelines, will ensure the implementation of all State health services, determine the distribution of health care funding, develop and administer a mechanism to pay and reimburse health care providers, work with localities in undertaking health planning and coordination with appropriate social and human services, implement a quality assurance program, administer a consumer advocacy and information program, and license and regulate all health care providers and facilities.

PAYMENT TO PROVIDERS

Hospitals will receive a prospective global budget, to be developed through annual negotiations with the designated State agency. Global budgets will only be used for operating expenses. Separate funds for capital expansion and purchase of expensive, highly specialized equipment will be subject to approval by the State. Other health care facilities will be paid either on the basis of a prospective global budget or capitation as determined by the State.

Funds would be available to continue to develop quality indicators for measuring treatment effectiveness in all types of health care settings, and to develop practice guidelines for physicians and other health care practitioners. Research will also be directed at reducing the number of unnecessary medical and diagnostic procedures.

Additionally, special Federal grants would be available for innovative statewide or local prevention and health promotion programs.

PUBLIC HEALTH FUNCTIONS AND ACTIVITIES

A public health commission would be established to make recommendations on the integration of public health functions and activities into the national health care program. Additionally, the commission would make recommendations on the need for increased funding and program needs for public primary care programs.

DISPLACED WORKERS

The bill amends the Job Training Partnership Act to address the need for retraining and placement of individuals in the health insurance industry who are displaced due to the establishment of the national health care program.

MEDICAL MALPRACTICE REFORMS

A special commission would be established to develop recommendations for medical malpractice reform. The goals of such reforms are to reduce the costs associated with malpractice insurance, reduce the basis for malpractice claims, target physicians and other health care providers who are incompetent, and develop mechanisms that will protect consumers who are victims of malpractice.•

By Mr. PELL (by request):

S. 685. A bill to authorize appropriations for the American Folklife Center for fiscal years 1994, 1995, 1996, and 1997; to the Committee on Rules and Administration.

REAUTHORIZATION OF THE FOLKLIFE CENTER

Mr. PELL. Mr. President, today in my capacity as vice chairman of the Joint Committee on the Library, I introduce by request legislation to reauthorize the American Folklife Center in the Library of Congress for a period of 4 years, fiscal years 1994 through 1997.

The American Folklife Center was created at the Library by the American Folklife Preservation Act of 1976. It incorporates the Archive of Folk Culture, the Nation's principal public collection of folklife materials, which has been a valuable part of the Library since 1928.

In the past 17 years the Center has carried out an ambitious schedule of continuing activities and special projects to fulfill its legislated mandate to preserve and present American folklife. It has served a broad constituency of cultural communities by assisting their efforts to preserve and encourage their own grassroots traditions and heritage. It has provided consultant services and loans of its documentary equipment to all 50 States. Its archive, the national center for research in American folk traditions, each year serves thousands of cultural specialists, tribal elders, Members of Congress, scholars, and individuals and

families seeking to understand their own cultural heritage.

The Center has conducted field research projects, exhibitions, conferences, and other projects across the country. It works regularly with local, State, and Federal agencies in the common and continuing effort to conserve our Nation's regional, occupational, and ethnic heritage. For instance, the Center conducted the Rhode Island Folklife Survey in my home State in 1979, documenting folk music, craft, art, narrative, and celebrations throughout the State. This survey led to continued work in the State by local organizations.

The proposed ceilings for the Center's annual operations provide for continuance of its mission and activities, but represent no growth for fiscal year 1994 and increase in the following 3 fiscal years are limited to mandatory salary increases and inflationary costs.

Mr. President, it is important that the people of this country understand and appreciate their own cultural roots as well as those of their neighbors. American folklife has always been a means for Americans to express their grassroot traditions with dignity and creativity. The legislation which created the American Folklife Center stated that "building a strong nation does not require the sacrifice of cultural differences." In fact, as the legislation also reads, the diversity of American folklife "has contributed greatly to the cultural richness of the nation and has fostered a sense of individuality and identity among the American people."

For the past 17 years the American Folklife Center has admirably carried out an appropriate Federal role in preserving and presenting American folklife and in serving individuals and communities in every State of the Union. I hope my colleagues will support this legislation to continue the Center's work.

By Mr. KRUEGER (for himself, Mr. BREAUX, Mr. GRAHAM, and Mr. JOHNSTON):

S. 686. A bill to establish a Gulf of Mexico Commission and a Gulf of Mexico Program Office within the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

GULF OF MEXICO ACT OF 1993

• Mr. KRUEGER. Mr. President, I rise today to introduce legislation which will promote economic development and environmental protection in one of this Nation's most significant estuaries—the Gulf of Mexico. My legislation establishes a framework for the comprehensive management of the Gulf of Mexico that will rival the management systems already functioning in other regions such as the Great Lakes, Chesapeake Bay, and the Gulf of Maine. The management system that I am proposing today will promote sustainable economic development in the gulf region. I want to take this opportunity to thank my distinguished colleagues from Louisiana and Florida, Senators BREAUX, GRAHAM, and JOHNSTON, for joining me in introducing this most important legislation.

Much of what makes the Gulf of Mexico such a valuable commercial resource is its bountiful natural resources. In order for the gulf to continue to be a highly productive economic resource, we must ensure that we protect its waters, wetlands, and beaches. For too long, we have been told that economic development and environmental protection are irreconcilable. This legislation makes clear that these interests can and must work together.

The Gulf of Mexico is a vital economic resource. The gulf supplies over 30 percent of the domestic fish and seafood market, making it one of the world's most significant fisheries. More than 90 percent of United States and Mexican oil production is derived from offshore oil wells located in the gulf. The gulf also serves as the United States's gateway to Central and South America; 45 percent of the domestic import and export tonnage passes through ports located in the gulf. Furthermore, the rapidly growing beach resort and recreation industry along the gulf coastline generates approximately $10 billion per year in revenues.

But the gulf is much more than just an economic resource. The gulf is a unique and vital ecosystem that needs to be protected. Wetlands in the gulf region provide habitat for more than 75 percent of the migratory waterfowl of North America and a breeding ground for a variety of sport and commercial fish and shellfish. It is time we recognized that protection of this beautiful water body—America's Sea—is important not only so our children and grandchildren can enjoy the gulf much as we do today, but also so that the gulf region economy can continue to grow—creating new jobs and new industries.

This legislation comes at a crucial time for the gulf. The gulf ecosystem is in need of protection. Excessively low levels of oxygen have caused up to 3,000 square miles of bottom waters known as the dead zone to be documented off of the Louisiana and Texas coasts. Concerns about human health have resulted in the permanent or conditional closure of 3,400,000 acres of shellfish growing areas along the gulf coast. The gulf region is experiencing an alarming loss of inland and coastal wetlands. And finally, what is an astounding statistic to me, three-fourths of the North American landmass drains into the gulf. Urban and agricultural runoff including pesticides, animal waste, motor oil, industrial and chemical waste, and solid waste from this huge land area drain directly into the gulf.

Though these statistics are disturbing, they are not irreversible. That is where the Gulf of Mexico Act can help. This legislation will foster sustainable development in the gulf region at the same time that it provides for expanded means to address the gulf's pollution problems.

Last year, my Senate predecessor and now Secretary of the Treasury Lloyd Bentsen introduced legislation which would establish a Gulf of Mexico Commission. This Commission would become the focal point for the balanced, comprehensive, and environmentally-sensitive development of the valuable resources found in the gulf region. The legislation which I am introducing today captures former Senator Bentsen's intentions and proposes the establishment of such a Commission.

Currently, the Gulf of Mexico does not have an umbrella organization that is able to effectively balance and coordinate the wide and often divergent interests in the Gulf of Mexico's resources, as do other areas like the Great Lakes, Chesapeake Bay, and Gulf of Maine. The Gulf of Mexico Commission will take on this responsibility and play a crucial role in the overall management of the Gulf of Mexico and its environs. The Commission will serve as the entity whose mission is to facilitate and coordinate the wide variety of Federal, State, local, and private sector activities aimed at protecting and developing the Gulf of Mexico. I also hope that the Commission's activities will be supported by the Government of Mexico to the greatest extent allowable by Federal law.

The legislation also formally establishes a Gulf of Mexico program in the Environmental Protection Agency. The program will be overseen by an office to be located in a gulf State. The EPA Gulf of Mexico program will serve to coordinate environmental protection efforts in the gulf. It will work closely with the Commission in setting environmental policy in the gulf region. The EPA program will be responsible for day-to-day environmental management of the gulf.

The bill requires a first-ever gulf-wide survey and study of environmental quality. The EPA program office will perform an in-depth study under this legislation which will look at everything from the condition of wetlands on the gulf coast to the presence of toxics in gulf waters. This study will provide a comprehensive snapshot of the state of the gulf and will enable Federal and State agencies to identify and prioritize their environmental protection efforts in the gulf.

In addition to this study, the legislation also requires the EPA program office to set up a gulf-wide monitoring network. This network will be made up of local, State, and Federal agencies who will monitor environmental quality in the gulf and share results

amongst themselves and with the EPA program office. The EPA program office will maintain a database of the information produced by this monitoring network so that, over time, we will be able to chart improvement of environmental quality in the gulf.

The EPA program office and the Commission together will foster cooperative efforts between governments, industry, and environmentalists to ensure that the gulf region pursues economic development in harmony with environmental protection. We stand at the gateway to a new era in economic development and environmental protection. I am confident that this legislation will ensure that the Gulf of Mexico is at the forefront of sustainable development as we enter this new era.

I firmly believe that this legislation will go a long way toward promoting the long-term best interests of the Gulf of Mexico. I look forward to working closely with my Senate and House colleagues, as well as the Gulf State Governors, State legislators, local officials, and the private sector to ensure that this legislation accomplishes its mission.

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. 686

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 "Gulf of Mexico Act of 1993".

SEC. 2. FINDINGS.

(a) ECONOMIC IMPACT FINDINGS.—Congress makes the following findings concerning economic activities in the Gulf of Mexico region:

(1) The Gulf of Mexico supplies over 30 percent of the domestic fish and seafood market, making it one of the world's most significant fisheries.

(2) Forty-five percent of the domestic import and export tonnage passes through ports located in the Gulf of Mexico.

(3) Over 90 percent of United States and Mexican oil production is derived from offshore oil wells located in the Gulf of Mexico. Payments to the United States Treasury under Outer Continental Shelf production leases have totaled more than $80,000,000,000 over the past 30 years, which is only exceeded by Federal income tax revenue.

(4) Offshore oil and gas exploration in the Gulf of Mexico utilizes a fleet of approximately 200 mobile rigs that is supported by a multibillion dollar marine service and supply industry.

(5) The rapidly growing beach resort and recreation industry along the Gulf of Mexico coastlines generates approximately $10,000,000,000 per year in revenues.

(6) Wetlands in the Gulf of Mexico region provide habitat for more than 75 percent of the migratory waterfowl of North America and a breeding ground for a wide variety of sport and commercial fish and shellfish.

(b) FINDINGS RELATING TO ENVIRONMENTAL THREATS.—Congress makes the following findings concerning environmental threats to the ecological system of the Gulf of Mexico:

(1) Excessively low levels of oxygen have caused up to 3,000 square miles of bottom waters known as the dead zone to be documented off the Louisiana and Texas coasts. This phenomenon is caused by nutrient runoff and other forms of water pollution that drain into the Gulf.

(2) Three-fourths of the North American land mass drains into the Gulf. Urban and agricultural runoff, including pesticides, animal waste, motor oil, industrial and chemical waste, fertilizers, and solid waste from this enormous area drain directly into the Gulf of Mexico.

(3) Concerns about human health have resulted in the permanent or conditional closure of 3,400,000 acres of shellfish-growing areas along the Gulf of Mexico coast.

(4) The entire Gulf of Mexico region is experiencing a gradual and significant loss of inland and coastal wetlands. In conjunction with coastal erosion, the loss of inland and coastal wetlands reduces hurricane protection and jeopardizes intercoastal and intracoastal waterways.

(5) The continued rapid loss of wetland and seagrass habitats in estuaries threatens the continued productivity of commercial fishery stocks because between 92 and 98 percent of the commercial fish and shellfish of the Gulf of Mexico rely on the estuarine habitats for at least a part of their life cycles.

(6) The huge volume of marine debris that is accumulating on the beaches of the Gulf of Mexico is in a concentration of approximately 1 ton per mile in many areas and is largely attributable to the lack of adequate disposal practices and facilities on resale and in ports throughout the Wider Caribbean Region.

(7) Spillage of crude oil and other petroleum and chemical products transported on the waters of the Gulf of Mexico continues to harm environmental resources and resources related to tourism, and the risk of a major calamity increases with the increase of marine traffic.

(c) MANAGEMENT FINDINGS.—Congress makes the following findings concerning the management of the Gulf of Mexico:

(1) The Gulf States, by virtue of their proximity to the Gulf of Mexico and their knowledge of the local conditions affecting the environmental integrity of the Gulf of Mexico, must continue to play an essential role in planning for the management, protection, and restoration of the natural resources of the Gulf of Mexico.

(2) The existing efforts of citizens groups, local agencies, State governments, institutions of higher education, private industries, nonprofit research organizations, the Environmental Protection Agency (including the Gulf of Mexico Program and the International Division of the Environmental Protection Agency), the Department of Commerce (including the National Oceanic and Atmospheric Administration and the National Marine Fisheries Service), the Department of Agriculture (including the Soil Conservation Service), the Department of the Interior (including the Minerals Management Service, the National Park Service, the Geological Survey, and the Fish and Wildlife Service), the Department of the Army (including the Corps of Engineers), the Department of Transportation (including the Coast Guard), and other Federal agencies should be utilized to carry out this Act.

(3) Oceanic and atmospheric circulation patterns around the Gulf of Mexico inherently render the marine environment of the Gulf of Mexico an integral component of the environment of the Wider Caribbean Region, and life cycles of marine species, the quality of water and the cleanliness of beaches in the Gulf are dependent on the Wider Caribbean Region and its environment as a whole.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) FEDERAL AGENCY.—The term "Federal agency" means the Environmental Protection Agency (including the Gulf of Mexico Program and the International Division of the Environmental Protection Agency), the Department of Commerce (including the National Oceanic and Atmospheric Administration and the National Marine Fisheries Service), the Department of Agriculture (including the Soil Conservation Service), the Department of the Interior (including the Minerals Management Service, the National Park Service, the Geological Survey, and the Fish and Wildlife Service) the Department of the Army (including the Corps of Engineers), and the Department of Transportation (including the Coast Guard).

(2) COMMISSION.—The term "Commission" means the Gulf of Mexico Commission established under section 4.

(3) GULF STATES.—The term "Gulf States" means Alabama, Florida, Louisiana, Mississippi, and Texas.

(4) WIDER CARIBBEAN REGION.—The term "Wider Caribbean Region" means the Caribbean Sea, including the Gulf of Mexico, and areas of the Atlantic Ocean adjacent to the Caribbean Sea, south of 30 degrees north latitude and within 200 nautical miles of the Atlantic coast of the States that are signatories to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, with Annex, done at Cartagena on March 24, 1983 (TIAS 11085).

SEC. 4. GULF OF MEXICO COMMISSION.

(a) ESTABLISHMENT.—On receiving the written agreement of the Governor of each Gulf State, the President shall establish a Gulf of Mexico Commission for the purpose of promoting the environmental and economic interests of the Gulf of Mexico by coordinating the variety of public authorities and private organizations that are engaged in evaluating and responding to problems relating to the Gulf of Mexico.

(b) FIRST MEETING.—The Commission shall hold its first meeting within 90 days after the President receives the written agreement referred to in subsection (a).

(c) MEMBERSHIP.—

(1) IN GENERAL.—The Commission shall be composed of—

(A) the Governor of each Gulf State, or a representative of the Governor;

(B) the President of the Senate of each Gulf State legislature (or the equivalent official of the State), or a designee of the President of the Senate of the State (or the equivalent official of the State);

(C) the Speaker of the House of Representatives of each Gulf State legislature (or the equivalent official of the State), or a designee of the Speaker (or the equivalent official of the State);

(D) two individuals from each Gulf State who shall not be members, officers, or employees of either the executive or legislative branch of that State and who shall be appointed by the Governor of the State; and

(E) one official each from the Department of Commerce, the Department of the Interior, the Department of Agriculture, the Coast Guard, the Environmental Protection Agency, and the Army Corps of Engineers.

(2) TERM.—Each Commission member shall serve for a term of 4 years, except that—

(A) a Commission member described in subparagraph (A), (B), or (C) of paragraph (1) shall not serve after the date of termination of the executive or legislative term of office of the member;

(B) a Commission member described in paragraph (1)(D) shall not serve after the date of termination of the term of office of the Governor who appoints the member; and

(C) a Commission member described in paragraph (1)(E) shall not serve after the date of termination of the term of office of the President who appoints the member.

(3) REAPPOINTMENT.—Any member of the Commission may be reappointed, if the member is eligible for membership under paragraphs (1) and (2).

(4) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall annually elect a Chairperson and Vice Chairperson from among its members.

(d) FUNCTIONS.—

(1) RECOMMENDATIONS.—The Commission shall make recommendations to the President, the Gulf States, Congress, the heads of Federal agencies, and other appropriate parties regarding—

(A) the orderly, sustainable, and comprehensive use and conservation of the resources of the Gulf of Mexico;

(B) the balancing among agriculture, commercial, environmental, industrial, transportation, and recreational interests in the use and protection of the resources of the Gulf of Mexico;

(C) necessary improvements in the management system of the Gulf of Mexico existing on the date of enactment of this Act to maximize the public benefits of the resources of the Gulf of Mexico;

(D) the appropriate role for the Federal Government in the management and protection of the national resources found in the Gulf of Mexico;

(E) cooperation between the Gulf States, the Federal Government, and the Government of Mexico, as well as other governments and intergovernmental bodies having interests in, or jurisdiction sufficient to affect, conditions in the Gulf of Mexico and its environs;

(F) cooperation among private groups and organizations in the Gulf of Mexico region on matters affecting the Gulf of Mexico;

(G) uniform laws, or other laws (including ordinances or regulations) relating to the development, use, and conservation of the resources of the Gulf of Mexico by each of the respective Gulf States, the Federal Government, and the Government of Mexico, as well as other governments and intergovernmental bodies having interests in, or jurisdiction sufficient to affect, conditions in the Gulf of Mexico and its environs;

(H) agreements between the United States and Mexico that would positively affect the development, use, and conservation of the resources of the Gulf of Mexico;

(I) mutual arrangements to be embodied in concurrent or reciprocal legislation promulgated by Congress and the legislature of the Government of Mexico;

(J) improvements to the overall transportation infrastructure in the Gulf of Mexico and its environs;

(K) means of improving and maintaining the productivity of the various industries doing business in the Gulf of Mexico; and

(L) the adequacy of current and projected funding for the activities described in subparagraphs (A) through (K).

(2) REVIEW BY COMMISSION.—The Commission shall review and comment on plans developed pursuant to section 5(d).

(3) ASSISTANCE IN NEGOTIATIONS.—The Commission may, at the request of the President, assist in the negotiation and formulation of any treaty or mutual agreement between the United States and Mexico that relates to the Gulf of Mexico and its environs.

(e) POWERS OF COMMISSION.—The Commission shall have the power to—

(1) compile, analyze, and report on technical and other data relating to the resources of the Gulf of Mexico and its environs;

(2) conduct studies (directly or through contracts, grants, or other indirect means) regarding existing or potential problems within the Gulf of Mexico and its environs;

(3) pursue and administer such grants and other financial assistance as may be provided by public and private sources to facilitate any purpose of this Act;

(4) prepare, publish, and disseminate information relating to the activities and recommendations of the Commission; and

(5) make recommendations and take all actions necessary and proper to execute the powers conferred on the Commission by this Act, except that no recommendation or action shall have the force of law in, or be binding on, any Gulf State, the United States Government, or the Government of Mexico.

(f) ADMINISTRATION.—

(1) AUTHORITY OF COMMISSION.—For the purpose of carrying out this Act, the Commission may—

(A) adopt bylaws governing the conduct of the activities and meetings of the Commission;

(B) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and publish and distribute such reports as the Commission considers appropriate to carry out this Act;

(C) acquire, furnish, and equip such office space as may be necessary;

(D) employ and compensate an executive director and such other personnel as the Commission determines appropriate, including consultants, at rates not to exceed the daily equivalent of the rate prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code, and retain and compensate by contract such professional or technical service firms as the Commission determines appropriate;

(E) arrange for the services of personnel from any Gulf State, the Federal Government, the Government of Mexico, or any intergovernmental agency; and

(F) incur such necessary expenses and exercise such powers as are reasonably required to perform the functions of the Commission under this Act.

(2) ASSISTANCE.—At the request of the Commission, the heads of Federal and State departments and agencies may furnish information, personnel, and other assistance in support of the functions of the Commission.

(3) COMPENSATION.—Members of the Commission shall serve without compensation, but shall be reimbursed for travel or transportation expenses under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in performance of services for the Commission.

(4) FUNDS.—In addition to appropriations authorized under this Act, the Commission may accept and use appropriations, grants, and donations (including in-kind gifts) from a Gulf State, the Federal Government, the Government of Mexico, an individual, a private institution, or any other government or intergovernmental body having interests in, or jurisdiction sufficient to affect, conditions in the Gulf of Mexico and its environs.

(5) RECORDS.—The Commission shall keep accurate records of all receipts and disbursements. The accounts shall be audited at least annually in accordance with generally accepted auditing standards by independent certified or licensed public accountants. A report of the audit shall be included in, and become a part of, the annual report of the Commission, which shall be submitted to each Gulf State, the President, and Congress.

(6) REVIEW.—The records of the Commission referred to in paragraph (5) shall be open at all reasonable times for inspection by representatives of the jurisdictions and agencies that make appropriations, donations, or grants to the Commission.

(7) TERMINATION.—The President shall terminate the Commission after receipt of a written request signed by the Governor of each Gulf State.

SEC. 5. ENVIRONMENTAL PROTECTION AGENCY PROGRAM.

(a) GULF OF MEXICO NATIONAL PROGRAM OFFICE.—The Gulf of Mexico National Program Office (referred to in this section as the "Program Office") is established within the Environmental Protection Agency, to be located in one of the Gulf States and headed by a Director to be selected by the Administrator of the Environmental Protection Agency from candidates nominated by the Commission. The Director shall have expertise in technical and management issues related to environmental quality in the Gulf of Mexico.

(b) GULF OF MEXICO ENVIRONMENTAL MANAGEMENT.—

(1) FUNCTIONS OF PROGRAM OFFICE.—The Director of the Program Office shall—

(A) gather and create a database of research on Gulf of Mexico environmental quality issues for use by universities, governments, and private institutions;

(B) establish a Gulf-wide network comprised of Federal, State, and local authorities and private institutions to monitor environmental quality in the Gulf of Mexico;

(C) develop and implement policies in conjunction with Federal, State, and local authorities and private institutions designed to improve environmental quality in the Gulf;

(D) coordinate activities within the Environmental Protection Agency, including those of regional and headquarters offices with responsibilities for the Gulf of Mexico, aimed at improving environmental quality in the Gulf of Mexico; and

(E) coordinate activities of the Environmental Protection Agency with the actions of the Commission, other Federal agencies, and State and local authorities, to ensure their participation in the development and implementation of policies to improve environmental quality in the Gulf of Mexico.

(2) GULF OF MEXICO RESEARCH.—

(A) INVENTORY.—The Director of the Program Office shall establish a Gulf of Mexico research inventory and database to provide a comprehensive source of environmental studies, data, and other information related to environmental quality in the Gulf of Mexico.

(B) UPDATES.—The Director of the Program Office shall update the inventory every 5 years.

(C) MONITORING NETWORK.—

(i) ESTABLISHMENT.—The Administrator of the Environmental Protection Agency shall establish a Gulf-wide monitoring network

not later than May 1, 1994, in consultation with the Commission and Federal, State, and local agencies, to develop data that can be used to gauge the effectiveness of Environmental Protection Agency policies related to the Gulf.

(ii) COORDINATION.—The Administrator of the Environmental Protection Agency shall review, and, to the extent feasible, incorporate into the network monitoring efforts in the Gulf at the Federal, State, and local levels, existing on the date of enactment of this Act

(iii) PURPOSES.—The network shall be structured to produce data to support the development of the Gulf of Mexico Management Plan and describe the environmental quality of the Gulf of Mexico, with particular attention given to areas of concentrated industrial activity and other sources of point and nonpoint source pollution.

(3) GULF OF MEXICO MANAGEMENT PLAN.—

(A) PUBLICATION OF THE PROPOSED PLAN.—Not later than May 1, 1995, the Administrator of the Environmental Protection Agency, after consultation with the Commission and representatives of other Federal, State, and local agencies, shall publish for public comment a proposed Gulf of Mexico Management Plan. The Plan shall—

(i) summarize existing data describing the environmental quality of the Gulf of Mexico, including information pertaining to the status of fisheries, shellfish growing areas, wetlands, and beaches;

(ii) describe the monitoring network and the Program Office Research Inventory;

(iii) describe significant sources of pollution and assess associated environmental risks;

(iv) describe on-going and planned activities intended to identify, evaluate, and preserve wetlands and other critical habitats;

(v) report on pollution prevention and other abatement and remedial measures underway on the date the report is prepared;

(vi) recommend measures to be undertaken by Federal, State, and local agencies and private interests to ensure the protection and restoration of the Gulf of Mexico ecosystem;

(vii) address the economic impact of any additional measures on development in the Gulf of Mexico region, particularly measures affecting agriculture, fishing, recreational activities, and oil and gas activities; and

(viii) recommend the Federal, State, and local agencies to be charged with implementing the Plan.

(B) PUBLIC COMMENT AND PUBLICATION OF FINAL PLAN.—The Administrator of the Environmental Protection Agency shall provide a period of 60 days for public comment. The Administrator of the Environmental Protection Agency shall publish the final Gulf of Mexico Management Plan not later than 180 days after the expiration of the public comment period.

(C) ANNUAL REPORT TO CONGRESS.—Beginning with fiscal year 1995, within 90 days after the end of each fiscal year, the Administrator of the Environmental Protection Agency, after consultation with the Commission, and Federal, State, and local agencies, shall submit a comprehensive report to Congress that—

(i) updates the status of environmental quality in the Gulf of Mexico;

(ii) describes any modifications in the monitoring network of Research Inventory;

(iii) describes the achievements in the preceding year in implementing measures undertaken in the Gulf of Mexico Management Plan;

(iv) describes the designation of any critical habitats in the previous year; and

(v) describes the long-term prospects for improving the environmental quality in the Gulf.

(4) GRANT PROGRAM.—

(A) IN GENERAL.—The Administrator of the Environmental Protection Agency may, upon approval of an application submitted by a Gulf State or a group of States, make a grant to the State or group of States for the purpose of furthering the development or implementation of the monitoring network or Plan.

(B) PURPOSES.—A State or group of States receiving a grant under this paragraph may provide funds to other State and local agencies, universities, institutions, organizations, and individuals for the purpose of assisting the State or States in developing or implementing the monitoring network or Plan.

(C) SUBMISSION OF PROPOSAL.—A proposal submitted under this paragraph shall describe in detail the activities the grant will fund and, in the case of a grant to be used for implementation measures, the proposed abatement or conservation action and the result the proposed action is expected to achieve.

(D) FEDERAL SHARE.—

(i) IN GENERAL.—The Federal share of a grant under this paragraph shall be 50 percent of the amount of the grant award.

(ii) WAIVER.—The Administrator of the Environmental Protection Agency may waive the 50 percent limitation on the Federal share if the Administrator of the Environmental Protection Agency determines in a particular case that overriding national, international, or regional interests justify a larger Federal share. The Administrator of the Environmental Protection Agency shall report on the number of waivers issued under this subparagraph at the time the Administrator of the Environmental Protection Agency submits a budget proposal to the President for inclusion in the annual budget of the United States Government submitted by the President to Congress.

(E) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the amount of any grant awarded under this paragraph may be used for administrative expenses.

(F) REPORTS.—As a condition to receiving a grant under this paragraph, a State or group of States must agree to submit to the Administrator of the Environmental Protection Agency a report at the end of each fiscal year describing the progress the State has made in taking the actions proposed in the grant application and the amount of grant funds expended.

(G) LIABILITY.—Grants made under this section may not be used for the purpose of relieving from liability any person who may otherwise be liable under Federal or State law for damages, response costs, natural resource damages, restitution, equitable relief, or any other relief.

(c) BUDGET ITEM.—The Administrator of the Environmental Protection Agency shall, in the annual budget submission of the Environmental Protection Agency to Congress, include a funding request for the Program Office as a separate line item.

(d) MEMORANDA OF UNDERSTANDING WITH OTHER FEDERAL AGENCIES.—

(1) AUTHORIZATION.—The Administrator of the Environmental Protection Agency is authorized to negotiate memoranda of understanding with other Federal agencies with jurisdiction over the Gulf of Mexico.

(2) PURPOSES.—A memorandum shall set out the various responsibilities of each agency that is a party to it. A memorandum shall clearly delineate the jurisdiction and activities to be undertaken by each party.

SEC. 7. RELATIONSHIP TO EXISTING FEDERAL AND STATE LAWS AND INTERNATIONAL TREATIES.

(a) IN GENERAL.—Nothing in this Act shall be construed to affect the jurisdiction, powers, or prerogatives of any department, agency, officer, or program of the Federal Government, or of any State government or tribe.

(b) INTERNATIONAL BODIES.—Nothing in this Act shall be construed to affect the jurisdiction, powers, or prerogatives of any international body created by a treaty, to which the United States is a party, with authority relating to the Gulf of Mexico.

(c) RELATIONSHIP TO INTERNATIONAL LAW AND FOREIGN POLICY OF THE UNITED STATES.—Any action taken pursuant to this Act shall be consistent with relevant international law. Any action taken pursuant to this Act that relates to the waters under the jurisdiction of a foreign country shall be undertaken only in cooperation with representatives of the affected foreign country.

SEC. 8. STUDY OF INTERNATIONAL ISSUES.

The Administrator of the Environmental Protection Agency is authorized to conduct a study to assess the nature and extent of environmental problems in the Gulf of Mexico and Wider Caribbean Region, including areas beyond the Exclusive Economic Zone of the United States.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNTS.—There are authorized to be appropriated such sums as are necessary to carry out this Act.

(b) AVAILABILITY OF FUNDS.—The amounts authorized to be appropriated under this section shall remain available until expended.

(c) SUPPLEMENTAL FUNDS.—Funds made available under subsection (a) shall be used to supplement and not supplant any other funds made available to the Environmental Protection Agency.●

● Mr. BREAUX. Mr. President, I rise to join my distinguished colleague, Senator KRUEGER, as a cosponsor of the Gulf of Mexico Commission Act of 1992. With this legislation we provide long-overdue recognition of the importance of the Gulf of Mexico—America's sea—to our economy and our environment. We are also taking the first step on a long road toward undoing some of the damage that has been done to the gulf by man's activities over the years.

The Gulf of Mexico is unmatched as an environmental and commercial resource of the entire United States. We have overlooked its unique role in our lives for too long. Senator KRUEGER has put forward a visionary proposal and I am proud to join him in this effort.

Our bill will establish a Gulf of Mexico Commission modeled on the successful commissions that have done so much to resuscitate the Great Lakes and the Chesapeake Bay. This Commission will work to coordinate the activities of all of the Federal agencies involved in conserving, managing, and using the gulf's resources and will include representatives of State and local governments from all of the Gulf States.

In the case of the Great Lakes and the Chesapeake Bay, similar commis-

sions drafted interstate agreements, known as compacts, that guided and continue to guide the rational use of these resources with the support of Federal recognition and sanction. It is our hope in reintroducing this legislation today that a similar process will be borne out for the management of the Gulf of Mexico.

More than 50 percent of our Nation's domestic fish and seafood are pulled out of the gulf each year. Seventy-five percent of North America's migratory waterfowl depend on the gulf's wetlands as habitat.

More than 90 percent of the United States' and Mexico's oil production is derived from offshore drilling in the gulf.

Twenty-four billion dollars' worth of domestic import-export shipments go through gulf ports every year. This is equal to almost half of such annual tonnage.

The gulf's recreational and resort industries contribute $10 billion yearly to our Nation's economy and to the citizens of the five States that make up the gulf coast.

As a source of revenue to the Federal Government over the last 30 years the Gulf of Mexico has been second only to income tax revenue. Over $80 billion in payments to the Federal Treasury have come from Outer Continental Shelf oil production leases in the gulf.

Despite the incredible value of this resource to our economy, our way of life, and the North American ecosystem, we have shown poor stewardship in protecting its value for current and future generations of Americans. The Mississippi River, which runs through Louisiana and empties into the gulf, carries with it vast amounts of agricultural, commercial, chemical, industrial, and municipal wastes from three-quarters of the land area of the lower 48 States. Biological dead zones have been discovered in the gulf's waters and the refuse of dozens of foreign nations have washed up on our shores. Millions of acres of shellfish beds have been closed for some period of time.

Man's activity in the gulf and in coastal areas has led to erosion of one of our most precious environmental resources—coastal wetlands. My State of Louisiana, which contains 40 percent of the Nation's coastal wetlands, is losing 40–60 square miles of coastal wetlands every year. Loss in Louisiana alone accounts for 80 percent of the coastal wetlands loss in the lower 48 States.

Mr. President, I would again congratulate Senator KRUEGER for this important step forward. I urge all of my colleagues—whose States all benefit from the resources of the gulf—to join us in this vital first step toward comprehensive, rational management of one of our Nation's most important natural resources.•

By Mr. ROCKEFELLER (for himself, Mr. GORTON, Mr. LIEBERMAN, Mr. DANFORTH, and Mr. DODD):

S. 687. A bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes; to the Committee on Commerce, Science, and Transportation.

PRODUCT LIABILITY FAIRNESS ACT

• Mr. ROCKEFELLER. Mr. President, on September 8, 1992, 59 Senators went on record in favor of product liability reform legislation. Others expressed support for the concept but raised questions about some of the specific provisions. While the support was not enough to invoke cloture, it was a clear sign that a significant majority of the Senate understood the need for product liability reform.

Today, I am introducing legislation designed to achieve the same goals as last year's legislation but with changes intended to address the legitimate concerns raised by some of my colleagues. This effort is a bipartisan one and, in that regard, I am delighted to be joined by Senators GORTON, LIEBERMAN, DANFORTH, and DODD as cosponsors of this important legislation.

The bill we are introducing today is designed to produce a fairer legal system for manufacturers and injured persons alike. It will give manufacturers more certainty about the basic legal rules of the road and encourage the kind of innovation needed to make the United States strong at home and competitive abroad as we enter the 21st century. And it will also move more dollars to injured parties in a more timely fashion.

Let me first outline why this legislation is needed and then discuss how I believe the bill, as modified, addresses those needs in a fair and balanced way.

As the many lawyers in this body who graduated from law school prior to 1970 know, at that time not one law school in the country offered a course in product liability law. That was because the rules governing such cases were so narrow that few people could sue and recover.

All of that changed in the early 1970's, as the courts became more and more favorable toward injured persons. While I believe some liberalization of the law was warranted, I think the pendulum swung too far in penalizing defendants even when they had exercised all reasonable care. As the system moved away from a negligence standard, manufacturers who had taken all possible precautions to produce safe products were understandably angered when they were saddled with huge verdicts.

Moreover, however much it might have made sense for manufacturers to bear more of the risk of product injuries, movement toward a compensation system with tort damages that typically paid injured persons a multiple of three to four times economic damages—with no requirement that the plaintiff establish fault—was surely an expensive way to compensate people. Not only were the damages out of line with the manufacturer's conduct, resolving these matters through the legal system entailed extraordinarily high transactions, that is, lawyers' costs. Studies of the tort system in general and of product liability cases in particular show that it takes roughly a dollar of attorneys' fees to deliver a dollar of compensation to victims. Surely, we can devise a more efficient system.

A third major problem with the changes in the tort system is that they still left injured persons with a bad system—one in which often innocent victims could recover nothing and one in which those fortunate enough to recover had to wait unconscionably long times. When they finally do recover, the pattern of recovery is grossly unfair, dramatically overpaying those with the smallest losses and cruelly underpaying those devastated by catastrophic losses.

In sum, the present system is a haphazard one that neither provides proper guidance to manufacturers as to what they must do to avoid lawsuits, nor establishes a fair and efficient system to compensate persons injured by defective products.

Let me outline in some more detail the problems that this legislation is designed to address.

When manufacturers are exposed to randomly large judgments, both for compensatory damages and for punitive damages, they become reluctant to introduce new products. When those products are shoddily made and dangerous to consumers, that is exactly the result we want.

However, when manufacturers are discouraged from introducing products that can benefit society, then something is amiss. Last year as the Senate was about to consider S. 640, the Product Liability Fairness Act, there were two articles in Science magazine indicating that that was exactly what was happening with respect to the introduction of promising AIDS vaccines. The articles cited several examples of companies postponing AIDS vaccine research or trials—or abandoning the field entirely—for fear of potential lawsuits.

Similarly, Dr. Elizabeth B. Connell, Chair of the FDA's obstetrics and gynecology devices panel in 1989, said the United States is losing its leadership role in the area of contraceptive technology, "with potentially disastrous consequences for women and men in this country and elsewhere. Only two major U.S. companies are conducting contraceptive research.

The impact on U.S. industry is also apparent from the fact that in 1989, the median company engaged in machine tool building spent seven times more on product liability costs than it spent on basic research and development.

For all the adverse impact that changes in product liability law has had on manufacturers, it has had little positive impact on injured persons. A 1989 GAO study found that plaintiffs were awarded compensatory damages in only 45 percent of the 305 cases they studied. Moreover, for those lucky enough to recover, it took an average of 2½ years from filing to trial court verdict. That is a long time to wait for a seriously injured person with few other resources to keep a family together.

But things are even worse for injured persons than those numbers suggest. Because claimants enjoy a great deal of leverage when their economic losses are small—because manufacturers know it will cost them a certain amount to go to court, win or lose—they are usually able to recover far more than their actual economic losses. Thus, for example, a comprehensive study by the Insurance Services Office [ISO] found that the net recovery—what injured persons got to keep after paying their attorneys—for people with economic losses between $1 and $1,000 was 482 percent of their economic losses. That means that a person whose medical and work loss bills totalled $1,000 recovered $4,820. The difference between the economic loss and the total recovery was largely the value of threatening a lawsuit.

On the other hand, every study of people with economic losses in excess of $1 million shows that their recovery is only a tiny percentage of their actual economic loss, with no study showing a recovery rate of more than 39 percent.

Thus, people with limited losses recover far more than what is needed to put them back on their feet while people who are grievously injured recover only a tiny fraction of what is needed to make them economically whole.

Regardless of whether one supports this particular bill or not, such statistics starkly reveal the need for reform. Anyone who is seriously concerned about injured people cannot defend the present system as doing even a halfway decent job of compensating seriously injured people.

How does the Product Liability Fairness Act address the problems I have outlined? Let me start with the changes designed to improve the system for injured persons. The bill makes three key improvements in this area:

ALTERNATIVE DISPUTE RESOLUTIONS

First, it contains incentives for manufacturers to use existing State alternative dispute resolution [ADR] provisions. If a manufacturer unreasonably refuses to utilize ADR when a claimant makes such a request, the manufacturer may be liable for not only a subsequent verdict in favor of the plaintiff but for the plaintiff's reasonable attorneys's fees and court costs. This provision will create a strong incentive for manufacturers to use the faster and cheaper ADR systems.

EXPEDITED SETTLEMENTS

Second, the expedited settlement provisions also encourage the use of faster and less costly ways to resolve disputes. If a claimant makes an offer of judgment to settle the case and the manufacturer turns it down, the manufacturer will incur a penalty if the claimant recovers more in a subsequent court proceeding than the offer of judgment. Specifically, the defendant will be required to pay the claimant's reasonable attorney's fees and costs, up to $50,000. This penalty, which is far greater than that presently imposed for the rejection of a settlement offer under rule 68 of the Federal Rules of Civil Procedure, should provide a strong inducement for manufacturers to settle cases when they are culpable.

Delays can also arise when claimants, on their own or on advice of counsel, choose to unduly prolong a case. Thus the bill provides for penalties on the claimant when the claimant turns down a settlement offer from the manufacturer and then fares less well in the subsequent court proceeding. Because the claimant is normally not as well off as the manufacturer, the bill does not require the claimant to pay the defendant's attorney's fees. Clearly such a penalty would be so imposing that claimants would be forced to settle for inadequate offers. Instead, the bill limits the claimant's penalty to the forfeiture of all collateral benefits the claimant receives or is entitled to receive for the same injury. Since collateral benefits represent duplicate payment for the same injury—most typically from health or work loss insurance—the penalty will still leave the injured person with compensation for economic loss. Nevertheless, the penalty adds a risk factor for the injured person that should encourage faster settlement of the claim.

DISCOVERY

Third, the bill establishes a uniform statute of limitations that permits an injured person to file a lawsuit for up to 2 years after that person discovers not only the harm but its cause. This provision will enable many people who are harmed by toxic products, such as asbestos, to recover when they discover the cause of their illness.

The bill also contains several provisions that will assist business, all of which I believe are fundamentally fair and, in some cases, will help injured persons as well.

First, the bill establishes fair rules for the awarding of punitive damages. One of these provisions, the one that would require an injured person to prove the case by clear and convincing evidence, has been endorsed by both the American Bar Association and the American College of Trial Lawyers. The American College of Trial Lawyers has also endorsed the provision calling for the bifurcation of trials.

Second, the bill does limit the right to recover punitive damages in two specific cases. It bars suits for punitive damages—but not for compensatory damages—against any manufacturer that complies with all Food and Drug Administration or Federal Aviation Administration rules for pre-approval of a product and with all ongoing obligations to report any subsequent problems. The premise is that, given the comprehensive nature of the Federal regulatory schemes, such a manufacturer lacks the requisite malicious intent to cause harm—a conscious, flagrant indifference to the safety of those who might be harmed by a product—to warrant the imposition of punitive damages.

Let me repeat, however, that such a manufacturer would still be liable for all economic and noneconomic damages should a court determine that the manufacturer's conduct did not conform with the standard of care required by State law. I believe this provision will encourage the introduction of beneficial new products in an area where the threat of punitive damages has inhibited the development of important new products. Moreover, it should create a strong additional incentive for drug companies to fully comply with FDA rules, which should increase safety.

Third, the bill would continue to hold manufacturers jointly liable for all economic damages; that is, regardless of the specific contribution of a manufacturer to a person's injury, the manufacturer would be liable for the payment of all economic damages in the event another partially responsible manufacturer lacked the resources to pay a judgment. On the other hand, the bill limits a manufacturer's liability for noneconomic damages to the manufacturer's proportionate share. Thus a manufacturer that was only 10-percent liable for a person's injuries might have to pay all the economic losses but would have to pay for only 10 percent of the pain and suffering.

There are other provisions in the bill but I believe these are the key ones. Once again, I believe each and every provision meets a fundamental test of fairness and that the bill is a balanced one that will encourage innovation and safety and enhance U.S. competitiveness, as well as improve the likelihood that injured persons will recover fair compensation in a far more timely fashion than under the present system.

I would like to spend just a couple of minutes discussing the changes we have made in this year's bill. These changes were made in response to either confusion about the intent of certain provisions or in response to what we believe were fair criticisms about the bill.

First, I want to mention two key clarifications to the expedited product liability judgments section. S. 640 pro-

vided that an injured person who turns down a settlement offer that was more favorable than a later court award had to pay a penalty of an amount equal to the defendant's reasonable attorney's fee and costs, "except that the amount of such reduction shall not exceed that portion of the verdict which is allocable to noneconomic loss and economic loss for which the claimant has received or will receive collateral benefits."

I had always read that section to mean that the penalty was limited to only losses covered by collateral sources. However, others have contended that the noneconomic loss language should be read separately, which could dramatically increase an injured person's penalty. Therefore, the bill we are introducing today eliminates both the reference to attorney's fees and the words "noneconomic loss" so that it is crystal clear what an injured person's downside is—only collateral sources for economic loss, such as the Blue Cross health payments. The plaintiff would still be able to recover the amount of the verdict; he or she would simply have to forfeit any duplicate payment for the same injuries from other sources.

The bill also places a limitation on the manufacturer's penalty if it turns down an offer of judgment from the claimant and fares worse thereafter in court. Under S. 640, such a manufacturer not only had to pay the plaintiff's award but was subject to a penalty equal to the plaintiff's reasonable attorney's fees and costs. This bill establishes a maximum penalty of $50,000.

Thus, the new section limits the penalties on both parties. For the claimant, the penalty is the forfeiture of all collateral benefits, whereas the manufacturer's penalty is the plaintiff's reasonable attorney's fees, but not more than $50,000. I believe these penalties will achieve the desired goal of encouraging the parties to settle when they should and not to settle when they shouldn't. If the provision succeeds, it will dramatically shorten the time between injury and compensation and lower transactions costs. In short, injured persons and manufacturers both stand to gain.

In addition, in this area, the new bill adds a sentence to clarify that a claimant faces no penalty whatsoever if he or she loses the case.

Second, the new bill makes two significant changes in the alternative dispute resolution section. Last year it was argued that an injured person could be forced into a binding State ADR procedure, which would deny the person the right to a jury trial. S. 640 provided that one could be required to go through only voluntary State proceedings. I understood that to mean only nonbinding ADR proceedings. In order to make no mistake, the new bill adds the word "nonbinding." Thus any party that participates in an existing State ADR proceeding that is both voluntary and nonbinding but rejects the outcome to choose to go to court will face no penalty whatsoever.

Another objection was lodged against the ADR provision—namely that it imposed too great a penalty on claimants who refused to participate in ADR. While S. 640 imposed no penalty on a person who went through an ADR proceeding and then chose to go to court, it would have, however, potentially subjected a person to a severe penalty—the defendant's reasonable attorneys' fees—if the person refused to go to ADR at all. I do not think that could happen very often, but I don't want to take the chance. So the new bill strikes the penalty entirely for an injured person who refuses to go to ADR. It would, however, keep the penalty in place for a defendant who unreasonably refused to enter ADR.

In sum, the injured person may choose to go to ADR or not, but, in either event, would face no penalty.

Finally, the substitute clarifies that the defense against punitive damages for manufacturers that get FDA preapproval of their products is available only to manufacturers who comply with FDA's ongoing requirements to disclose adverse reactions after a product has been approved. A manufacturer that met all of FDA's preapproval requirements but failed to meet FDA's ongoing requirements thereafter would lose its protection against the award of punitive damages.

Mr. President, this is the 14th year that the Congress has considered product liability reform legislation. In 1985, I opposed the legislation being considered because I thought it was too skewed to help business. However, since that time the bill has evolved into what I believe is a fair and balanced piece of legislation—one that increases incentives for safety; one that increases incentives for innovation and will strengthen our competitive position in the world; one that makes it easier for injured persons to recover their losses faster; and one that removes some of the unfairness and arbitrariness of the present system. I believe the strong support in last year's Senate vote reflects the fundamental fairness of the balance we have struck.

This support is not just in the Senate. The National Governors' Association has supported Federal product liability reform since 1986. In 1991, in testimony before the Consumer Subcommittee of the Commerce Committee, the National Governors' Association witness testified that "the United States needs a single, predictable set of product liability rules. The adoption of a federal uniform product liability code would eliminate unnecessary cost, delay, and confusion in resolving product liability cases."

Mr. President, the bill we are introducing today is a good bill that addresses very real problems. I hope all Senators and Congressmen will look at it seriously, as well as all the groups that represent the affected parties. I have no question that President Clinton and his administration will scrutinize it carefully. I believe that a dispassionate analysis will lead to a consensus that this legislation is fair and beneficial to all parties. However, I realize that reasonable people can differ on just where that balance lies. Therefore, my door will continue to be open to everyone who truly wants to produce a better product liability system and I stand ready to make any changes that I think would reach that goal. With good faith on the part of all parties, I believe we can enact product liability reform legislation in 1993.

Finally, I again thank Senators GORTON, LIEBERMAN, DANFORTH, and DODD for their investment of leadership and skillful effort to produce this bipartisan proposal. I also express my gratitude to their staffs for their hard work, and in particular, to PETER KINZLER, who has assisted me over the recent months with his immense knowledge and deep reservoir of public service.

This is a year when the American people expect their elected officials to break gridlock on the problems that affect their daily lives and the country's economic future. With this legislation, we have an opportunity to resolve problems in our product liability system that can and should be overcome. We have the chance to benefit consumers, business, and the economy at once. I ask all of my colleagues to take an honest look at these problems, and at our legislation, and to recognize the need to quickly enact the changes we propose into law.

I ask unanimous consent that the full text of my bill be printed in the RECORD.

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

S. 687

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 "Product Liability Fairness Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

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TITLE I—EXPEDITED JUDGMENTS AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES
Sec. 101. Expedited product liability judgments.
Sec. 102. Alternative dispute resolution procedures.

TITLE II—STANDARDS FOR CIVIL ACTIONS

Sec. 201. Civil actions.
Sec. 202. Uniform standards of product seller liability.
Sec. 203. Uniform standards for award of punitive damages.
Sec. 204. Uniform time limitations on liability.
Sec. 205. Workers' compensation subrogation standards.
Sec. 206. Several liability for noneconomic loss.
Sec. 207. Defenses involving intoxicating alcohol or drugs.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(1) "claimant" means any person who brings a civil action pursuant to this Act, and any person on whose behalf such an action is brought; if such an action is brought through or on behalf of an estate, the term includes the claimant's decedent, or if it is brought through or on behalf of a minor or incompetent, the term includes the claimant's parent or guardian;

(2) "clear and convincing evidence" is that measure or degree of proof that will produce in the mind of the trier of fact a firm belief or conviction as to the truth of the allegations sought to be established; the level of proof required to satisfy such standard is more than that required under preponderance of the evidence, but less than that required for proof beyond a reasonable doubt;

(3) "collateral benefits" means all benefits and advantages received or entitled to be received (excluding any benefits any other person has or is entitled to assert for recoupment through subrogation, trust agreement, lien, or otherwise) by any claimant harmed by a product or by any other person as reimbursement of loss because of harm to person or property payable or required to be paid to the claimant, under—

(A) any Federal law or the laws of any State (other than through a claim for breach of an obligation or duty); or

(B) any life, health, or accident insurance or plan, wage or salary continuation plan, or disability income or replacement service insurance, or any benefit received or to be received as a result of participation in any prepaid medical plan or health maintenance organization;

(4) "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside of that State; or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A);

(5) "commercial loss" means any loss incurred in the course of an ongoing business enterprise consisting of providing goods or services for compensation;

(6) "economic loss" means any pecuniary loss resulting from harm (including but not limited to medical expense loss, work loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities), to the extent recovery for such loss is allowed under applicable State law;

(7) "exercise of reasonable care" means conduct of a person of ordinary prudence and intelligence using the attention, precaution, and judgment that society expects of its members for the protection of their own interests and the interests of others;

(8) "harm" means any bodily injury to an individual sustained in an accident and any illness, disease, or death of that individual resulting from that injury; the term does not include commercial loss or loss or damage to a product itself;

(9) "manufacturer" means—

(A) any person who is engaged in a business to produce, create, make, or construct any product (or component part of a product) and who designs or formulates the product (or component part of the product) or has engaged another person to design or formulate the product (or component part of the product);

(B) a product seller, but only with respect to those aspects of a product (or component part of a product) which are created or affected when, before placing the product in the stream of commerce, the product seller produces, creates, makes, or constructs and designs or formulates, or has engaged another person to design or formulate, an aspect of a product (or component part of a product) made by another; or

(C) any product seller not described in subparagraph (B) which holds itself out as a manufacturer to the user of a product;

(10) "noneconomic loss" means subjective, nonmonetary loss resulting from harm, including but not limited to pain, suffering, inconvenience, mental suffering, emotional distress, loss of society and companionship, loss of consortium, injury to reputation, and humiliation; the term does not include economic loss;

(11) "person" means any individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity (including any governmental entity);

(12) "preponderance of the evidence" is that measure or degree of proof which, by the weight, credit, and value of the aggregate evidence on either side, establishes that it is more probable than not that a fact occurred or did not occur;

(13) "product" means any object, substance, mixture, or raw material in a gaseous, liquid, or solid state (A) which is capable of delivery itself or as an assembled whole, in a mixed or combined state, or as a component part or ingredient; (B) which is produced for introduction into trade or commerce; (C) which has intrinsic economic value; and (D) which is intended for sale or lease to persons for commercial or personal use; the term does not include human tissue, blood and blood products, or organs unless specifically recognized as a product pursuant to State law;

(14) "product seller" means a person who, in the course of a business conducted for that purpose, sells, distributes, leases, prepares, blends, packages, labels, or otherwise is involved in placing a product in the stream of commerce, or who installs, repairs, or maintains the harm-causing aspect of a product; the term does not include—

(A) a seller or lessor of real property;

(B) a provider of professional services in any case in which the sale of use of a product is incidental to the transaction and the essence of the transaction is the furnishing of judgment, skill, or services; or

(C) any person who—

(i) acts in only a financial capacity with respect to the sale of a product; and

(ii) leases a product under a lease arrangement in which the selection, possession, maintenance, and operation of the product are controlled by a person other than the lessor; and

(15) "State" means any State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States, or any political subdivision thereof.

SEC. 4. APPLICABILITY; PREEMPTION.

(a) APPLICABILITY TO PRODUCT LIABILITY ACTIONS.—This Act applies to any civil action brought against a manufacturer or product seller, on any theory, for harm caused by a product. A civil action brought against a manufacturer or product seller for loss or damage to a product itself or for commercial loss is not subject to this Act and shall be governed by applicable commercial or contract law.

(b) SCOPE OF PREEMPTION.—(1) Except as provided in paragraph (2), this Act supersedes any State law regarding recovery for harm caused by a product only to the extent that this Act establishes a rule of law applicable to any such recovery. Any issue arising under this Act that is not governed by any such rule of law shall be governed by applicable State or Federal law.

(2) The provisions of title I shall not supersede or otherwise preempt any provision of applicable State or Federal law.

(c) EFFECT ON OTHER LAW.—Nothing in this Act shall be construed to—

(1) waive or affect any defense of sovereign immunity asserted by any State under any provision of law;

(2) supersede any Federal law, except chapter 81 of title 5, United States Code (relating to Federal employees' compensation for work injuries) and the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.);

(3) waive or affect any defense of sovereign immunity asserted by the United States;

(4) affect the applicability of any provision of chapter 97 of title 28, United States Code;

(5) preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation;

(6) affect the right of any court to transfer venue or to apply the law of a foreign nation or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the ground of inconvenient forum; or

(7) supersede any statutory or common law, including an action to abate a nuisance, that authorizes a State or person to institute an action for civil damages or civil penalties, cleanup costs, injunctions, restitution, cost recovery, punitive damages, or any other form of relief resulting from contamination or pollution of the environment (as defined in section 101(8) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; 42 U.S.C. 9601(8)), or the threat of such contamination or pollution.

(d) CONSTRUCTION.—This Act shall be construed and applied after consideration of its legislative history to promote uniformity of law in the various jurisdictions.

(e) EFFECT OF COURT OF APPEALS DECISIONS.—Any decision of a United States court of appeals interpreting the provisions of this Act shall be considered a controlling precedent and followed by each Federal and State court within the geographical boundaries of the circuit in which such court of appeals sits, except to the extent that the decision is overruled or otherwise modified by the United States Supreme Court.

SEC. 5. JURISDICTION OF FEDERAL COURTS.

The district courts of the United States shall not have jurisdiction over any civil action pursuant to this Act, based on section 1331 or 1337 of title 28, United States Code.

SEC. 6. EFFECTIVE DATE.

This Act shall take effect on the date of its enactment and shall apply to all civil actions pursuant to this Act commenced on or after such date, including any action in which the harm or the conduct which caused the harm occurred before the effective date of this Act.

TITLE I—EXPEDITED JUDGMENTS AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.

SEC. 101. EXPEDITED PRODUCT LIABILITY JUDGMENTS.

(a) CLAIMANT'S OFFER OF JUDGMENT.—Any claimant may, in addition to any claim for relief made in accordance with State law, include in the complaint an offer of judgment to be entered against a defendant for a specific dollar amount as complete satisfaction of the claim.

(b) DEFENDANT'S OFFICER.—A defendant may serve an offer to allow judgment to be entered against that defendant for a specific dollar amount as complete satisfaction of the claim, within 60 days after service of the claimant's complaint or within the time permitted pursuant to State law for a responsive pleading, whichever is longer, except that if such pleading includes a motion to dismiss in accordance with applicable law, the defendant may serve such offer within 10 days after the court's determination regarding such motion.

(c) EXTENSION OF RESPONSE PERIOD.—In any case in which an offer of judgment is served pursuant to subsection (a) or (b), the court may, upon motion by the offeree made prior to the expiration of the applicable period for response, enter an order extending such period. Any such order shall contain a schedule for discovery of evidence material to the issue of the appropriate amount of relief, and shall not extend such period for more than 60 days. Any such motion shall be accompanied by a supporting affidavit of the moving party setting forth the reasons why such extension is necessary to promote the interests of justice and stating that the information likely to be discovered is material and is not, after reasonable inquiry, otherwise available to the moving party.

(d) DEFENDANT'S PENALTY FOR REJECTION OF OFFER.—If a defendant, as offeree, does not serve on a claimant a written notification of acceptance of an offer of judgment served by a claimant in accordance with subsection (a) within the time permitted pursuant to State law for a responsive pleading or, if such pleading includes a motion to dismiss in accordance with applicable law, within 30 days after the court's determination regarding such motion, and a final judgment is entered in such action in an amount greater than the specific dollar amount of such offer of judgment, the court shall modify the judgment against that defendant by including the judgment an amount for the claimant's reasonable attorney's fees and costs, not to exceed $50,000. Such fees shall be offset against any fees owned by the claimant to the claimant's attorney by reason of the final judgment.

(e) CLAIMANT'S PENALTY FOR REJECTION OF OFFER.—If the claimant, as offeree, does not serve on the defendant a written notice of acceptance of an offer of judgment serviced by a defendant in accordance with subsection (b) within 30 days after such service and a final judgment is entered in such action in an amount less than the specific dollar amount of such offer of judgment, the court shall reduce the amount of the final judgment in such action by that portion of the judgment which is allocable to economic loss for which the claimant has received or is entitled to receive collateral benefits. If the claimant is not the prevailing party in such action, the claimant's refusal to accept an offer of judgment shall not result in the payment of any penalty under this subsection.

(f) REASONABLE ATTORNEY'S FEE.—For purposes of this section, a reasonable attorney's fee shall be calculated on the basis of an hourly rate which shall not exceed that which is considered acceptable in the community in which the attorney practices, considering the attorney's qualifications and experience and the complexity of the case.

(g) EVIDENCE OF OFFER.—An offer not accepted shall be deemed withdrawn and evidence thereof is not admissible except in a proceeding to determine attorney's fees and costs.

SEC. 102. ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.

(a) IN GENERAL.—A claimant or defendant in a civil action subject to this Act may, within the time permitted for making an offer of judgment under section 101, serve upon an adverse party an offer to proceed pursuant to any voluntary, nonbinding alternative dispute resolution procedure established or recognized under the law of the State in which the civil action is brought or under the rules of the court in which such action is maintained. An offeree shall, within 10 days of such service, file a written notice of acceptance or rejection of the offer; except that the court may, upon motion by the offeree make prior to the expiration of such 10-day period, extend the period for response for up to 60 days, during which discovery may be permitted.

(b) DEFENDANT'S PENALTY FOR UNREASONABLE REFUSAL.—The court shall assess reasonable attorney's fees (calculated in the manner described in section 101(f)) and costs against the offeree, if—

(1) a defendant as offeree refuses to proceed pursuant to such alternative dispute resolution procedure;

(2) final judgment is entered against the defendant for harm caused by a product; and

(3) the defendant's refusal to proceed pursuant to such alternative dispute resolution procedure was unreasonable or not in good faith.

(c) GOOD FAITH REFUSAL.—In determining whether an offeree's refusal to proceed pursuant to such alternative dispute resolution procedure was unreasonable or not in good faith, the court shall consider such factors as the court deems appropriate.

TITLE II—STANDARDS FOR CIVIL ACTIONS

SEC. 201. CIVIL ACTIONS.

A person seeking to recover for harm caused by a product may bring a civil action against the product's manufacturer or product seller pursuant to applicable State or Federal law, except to the extent such law is inconsistent with any provision of this Act.

SEC. 202. UNIFORM STANDARDS OF PRODUCT SELLER LIABILITY.

(a) STANDARDS OF LIABILITY.—In any civil action for harm caused by a product, a product seller other than a manufacturer is liable to a claimant, only if the claimant establishes by a preponderance of the evidence that—

(1)(A) the individual product unit which allegedly caused the harm complained of was sold by the defendant; (B) the product seller failed to exercise reasonable care with respect to the product; and (C) such failure to exercise reasonable care was a proximate cause of the claimant's harm; or

(2)(A) the product seller made an express warranty, independent of any express warranty made by a manufacturer as to the same product; (B) the product failed to conform to the product seller's warranty; and

(C) the failure of the product to conform to the product seller's warranty caused the claimant's harm.

(b) CONDUCT OF PRODUCT SELLER.—(1) In determining whether a product seller is subject to liability under subsection (a)(1), the trier of fact may consider the effect of the conduct of the product seller with respect to the construction, inspection, or condition of the product, and any failure of the product seller to pass on adequate warnings or instructions from the product's manufacturer about the dangers and proper use of the product.

(2) A product seller shall not be liable in a civil action subject to this Act based upon an alleged failure to provide warnings or instructions unless the claimant establishes that, when the product left the possession and control of the product seller, the product seller failed—

(A) to provide to the person to whom the product seller relinquished possession and control of the product any pamphlets, booklets, labels, inserts, or other written warnings or instructions received while the product was in the product seller's possession and control; or

(B) to make reasonable efforts to provide users with the warnings and instructions which it received after the product left its possession and control.

(3) A product seller shall not be liable in a civil action subject to this Act except for breach of express warranty where there was no reasonable opportunity to inspect the product in a manner which would or should, in the exercise of reasonable care, have revealed the aspect of the product which allegedly caused the claimant's harm.

(c) TREATMENT AS MANUFACTURER.—A product seller shall be deemed to be the manufacturer of a product and shall be liable for harm to the claimant caused by a product as if it were the manufacturer of the product if—

(1) the manufacturer is not subject to service of process under the laws of any State in which the action might have been brought; or

(2) the court determines that the claimant would be unable to enforce a judgment against the manufacturer.

SEC. 203. UNIFORM STANDARDS FOR AWARD OF PUNITIVE DAMAGES.

(a) IN GENERAL.—Punitive damages may, if otherwise permitted by applicable law, be awarded in any civil action subject to this Act to any claimant who establishes by clear and convincing evidence that the harm suffered by the claimant was the result of conduct manifesting a manufacturer's or product seller's conscious, flagrant indifference to the safety of those persons who might be harmed by the product. A failure to exercise reasonable care in choosing among alternative product designs, formulations, instructions, or warnings is not of itself such conduct. Punitive damages may not be awarded in the absence of an award of compensatory damages.

(b) LIMITATION CONCERNING CERTAIN DRUGS AND MEDICAL DEVICES.—(1) Punitive damages shall not be awarded pursuant to this section against a manufacturer or product seller of a drug (as defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act; 21 U.S.C. 321(g)(1)) or medical device (as defined under section 201(h) of the Federal Food, Drug, and Cosmetic Act; 21 U.S.C. 321(h)) which caused the claimant's harm where—

(A) such drug or device was subject to premarket approval by the Food and Drug Administration with respect to the safety of the formulation or performance of the aspect of such drug or device which caused the claimant's harm or the adequacy of the packaging or labeling of such drug or device, and such drug or device was approved by the Food and Drug Administration; or

(B) the drug or device is generally recognized as safe and effective pursuant to conditions established by the Food and Drug Administration and applicable regulations, including packaging and labeling regulations.

(2) The provisions of paragraph (1) shall not apply in any case in which—

(A) the defendant, before or after pre-market approval of a drug or device, withheld from or misrepresented to the Food and Drug Administration or any other agency or official of the Federal Government required information that is material and relevant to the performance of such drug or device and is causally related to the harm which the claimant allegedly suffered; or

(B) the defendant made an illegal payment to an official of the Food and Drug Administration for the purpose of either securing or maintaining approval of such drug or device.

(c) LIMITATION CONCERNING CERTAIN AIRCRAFT AND COMPONENTS.—(1) Punitive damages shall not be awarded pursuant to this section against a manufacturer of an aircraft or aircraft component which caused the claimant's harm where—

(A) such aircraft or component was subject to pre-market certification by the Federal Aviation Administration with respect to the safety of the design or performance of the aspect of such aircraft or component which caused the claimant's harm or the adequacy of the warnings regarding the operation or maintenance of such aircraft or component;

(B) the aircraft or component was certified by the Federal Aviation Administration under the Federal Aviation Act of 1958 (49 App. U.S.C. 1301 et seq.); and

(C) the manufacturer of the aircraft or component complied, after delivery of the aircraft or component to a user, with Federal Aviation Administration requirements and obligations with respect to continuing airworthiness, including the requirement to provide maintenance and service information related to airworthiness whether or not such information is used by the Federal Aviation Administration in the preparation of mandatory maintenance, inspection, or repair directives.

(2) The provisions of paragraph (1) shall not apply in any case in which—

(A) the defendant, before or after pre-market certification of an aircraft or aircraft component, withheld from or misrepresented to the Federal Aviation Administration required information that is material and relevant to the performance or the maintenance or operation of such aircraft or component or is causally related to the harm which the claimant allegedly suffered; or

(B) the defendant made an illegal payment to an official of the Federal Aviation Administration for the purpose of either securing or maintaining certification of such aircraft or component.

(d) SEPARATE PROCEEDING.—At the request of the manufacturer or product seller, the trier of fact shall consider in a separate proceeding (1) whether punitive damages are to be awarded and the amount of such award, or (2) the amount of punitive damages following a determination of punitive liability. If a separate proceeding is requested, evidence relevant only to the claim of punitive damages, as determined by applicable State law, shall be inadmissible in any proceeding to determine whether compensatory damages are to be awarded.

(e) DETERMINING AMOUNT OF PUNITIVE DAMAGES.—In determining the amount of punitive damages, the trier of fact shall consider all relevant evidence, including—

(1) the financial condition of the manufacturer or product seller;

(2) the severity of the harm caused by the conduct of the manufacturer or product seller;

(3) the duration of the conduct or any concealment of it by the manufacturer or product seller;

(4) the profitability of the conduct to the manufacturer or product seller;

(5) the number of products sold by the manufacturer or product seller of the kind causing the harm complained of by the claimant;

(6) awards of punitive or exemplary damages to persons similarly situated to the claimant;

(7) prospective awards of compensatory damages to persons similarly situated to the claimant;

(8) any criminal penalties imposed on the manufacturer or product seller as a result of the conduct complained of by the claimant; and

(9) the amount of any civil fines assessed against the defendant as a result of the conduct complained of by the claimant.

SEC. 204. UNIFORM TIME LIMITATIONS ON LIABILITY.

(a) STATUTE OF LIMITATIONS.—Any civil action subject to this Act shall be barred unless the complaint is filed within 2 years of the time the claimant discovered or, in the exercise of reasonable care, should have discovered the harm and its cause, except that any such action of a person under legal disability may be filed within 2 years after the disability ceases. If the commencement of such an action is stayed or enjoined, the running of the statute of limitations under this section shall be suspended for the period of the stay or injunction.

(b) STATUTE OF REPOSE FOR CAPITAL GOODS.—(1) Any civil action subject to this Act shall be barred if a product which is a capital good is alleged to have caused harm which is not a toxic harm unless the complaint is served and filed within 25 years after the time of delivery of the product. This subsection shall apply only if the court determines that the claimant has received or would be eligible to receive compensation under any State or Federal workers' compensation law for harm caused by the product.

(2) A motor vehicle, vessel, aircraft, or train, used primarily to transport passengers for hire, shall not be subject to this subsection.

(3) As used in this subsection, the term—

(A) "capital good" means any product, or any component of any such product, which is of a character subject to allowance for depreciation under the Internal Revenue Code of 1986, and which was—

(i) used in a trade or business;

(ii) held for the production of income; or

(iii) sold or donated to a governmental or private entity for the production of goods, for training, for demonstration, or for other similar purposes; and

(B) "time of delivery" means the time when a product is delivered to its first purchaser or leassee who was not involved in the business of manufacturing or selling such product or using it as a component part of another product to be sold.

(c) EXTENSION OF PERIOD FOR BRINGING CERTAIN ACTIONS.—If any provision of this section would shorten the period during which a civil action could be brought under otherwise applicable law, the claimant may, notwithstanding such provision of this section, bring the civil action pursuant to this Act within 1 year after the effective date of this Act.

(d) EFFECT ON RIGHT TO CONTRIBUTE OR INDEMNITY.—Nothing in this section shall affect the right of any person who is subject to liability for harm under this Act to seek and obtain contribution of indemnity from any other person who is responsible for such harm.

SEC. 205. WORKERS' COMPENSATION SUBROGATION STANDARDS.

(a) IN GENERAL.—(1) An employer or workers' compensation insurer of an employer shall have a right of subrogation against a manufacturer or product seller to recover the sum of the amount paid as workers' compensation benefits and the present value of all workers' compensation benefits to which the employee is or would be entitled as determined by the appropriate workers' compensation authority for harm caused to an employee by a product if the harm is one for which a civil action has been brought pursuant to this Act. To assert a right of subrogation an employer or workers' compensation insurer of an employer shall provide written notice that it is asserting a right to subrogation to the court in which the claimant has filed a complaint. The employer or workers' compensation insurer of the employer shall not be required to be a necessary and proper party to the proceeding instituted by the employee.

(2) In any proceeding against or settlement with the manufacturer or product seller, the employer or the workers' compensation insurer of the employer shall have an opportunity to participate and to assert a right of subrogation upon any payment made by the manufacturer or product seller by reason of such harm, whether paid in settlement, in satisfaction of judgment, as consideration for covenant not to sue, or otherwise. The employee shall not make any settlement with or accept any payment from the manufacturer or product seller without the written consent of the employer and no release to or agreement with the manufacturer or product seller shall be valid or enforceable for any purpose without such consent. However, the preceding sentence shall not apply if the employer or workers' compensation insurer of the employer is made whole for all benefits paid in workers' compensation benefits.

(3) If the manufacturer or product seller attempts to persuade the trier of fact that the claimant's harm was caused by the fault of the claimant's employer or coemployees, then the issue whether the claimant's harm was caused by the claimant's employer or coemployees shall be submitted to the trier of fact. If the manufacturer or product seller so attempts to persuade the trier of fact, it shall provide written notice to the employer. The employer shall have the right to appear, to be represented, to introduce evidence, to cross-examine adverse witnesses, and to argue to the trier of fact as to this issue as fully as though the employer were a party although not named or joined as a party to the proceeding. Such issue shall be the last issue submitted to the trier of fact. If the trier of fact finds by clear and convincing evidence that the claimant's harm was caused by the fault of the claimant's employer or coemployees, then the court shall reduce the damages awarded by the trier of fact against the manufacturer or product seller (and correspondingly the subrogation lien of the employer) by the sum of the amount paid as workers' compensation benefits and the present value of all workers compensation benefits to which the employee is or would be entitled for such harm as determined by the appropriate workers'

compensation authority. The manufacturer or product seller shall have no further right by way of contribution or otherwise against the employer. However, the employer shall not lose its right of subrogation because of an intentional tort committed against the claimant by the claimant's coemployees or for acts committed by coemployees outside the scope of normal work practices.

(4) If the verdict shall be that the claimant's harm was not caused by the fault of the claimant's employer or coemployees, then the manufacturer or product seller shall reimburse the employer or workers' compensation insurer of the employer for reasonable attorney's fees and court costs incurred in the resolution of the subrogation claim, as determined by the court.

(b) EFFECT ON CERTAIN CIVIL ACTION.—(1) In any civil action subject to this Act in which damages are sought for harm for which the person injured is or would have been entitled to receive compensation under any State or Federal workers' compensation law, no third party tortfeasor may maintain any action for implied indemnity or contribution against the employer, any coemployee, or the exclusive representative of the person who was injured.

(2) Nothing in this Act shall be construed to affect any provisions of a State or Federal workers' compensation law which prohibits a person who is or would have been entitled to receive compensation under any such law, or any other person whose claim is or would have been derivative from such a claim, from recovering for harm caused by a product in any action other than a workers' compensation claim against a present or former employer or workers' compensation insurer of the employer, any coemployee, or the exclusive representative of the person who was injured.

(3) Nothing in this Act shall be construed to affect any State or Federal workers' compensation law which permits recovery based on a claim of an intentional tort by the employer or coemployee, where the claimant's harm was caused by such an intentional tort.

(c) STAY PENDING COMPENSATION DETERMINATION.—In any civil action subject to this Act in which damages are sought for harm for which the person injured is entitled to receive compensation under any State or Federal workers' compensation law, the action shall, or application of the claimant made at the claimant's sole election, be stayed until such time as the full amount payable as workers' compensation benefits has been finally determined under such workers' compensation law. Should the claimant elect to bring a civil action under this Act and not stay his or her action until the full amount payable as workers' compensation benefits has been finally determined by the appropriate workers' compensation authority, then the court shall determine the amount of worker's compensation that has been or would be payable if the issue had been determined by the appropriate workers' compensation authority. The verdict as determined by the trier of fact pursuant to this title shall have no binding effect on and shall not be used as evidence in any other proceeding.

(d) WRITTEN NOTICE.—A claimant in a civil action subject to this Act who is or may be eligible to receive compensation under any State or Federal workers' compensation law must provide written notice of the filing of the civil action to the claimant's employer within 30 days of the filing. The written notice shall include information regarding the date and court in which the civil action as filed, the names and addresses of all plaintiffs and defendants appearing on the complaint, the court docket number if available, and a copy of the complaint which was filed in the civil action.

SEC. 206. SEVERAL LIABILITY FOR NONECONOMIC LOSS.

(a) IN GENERAL.—In any civil action subject to this Act, the liability of each defendant for noneconomic loss shall be several only and shall not be joint. Each defendant shall be liable only for the amount of noneconomic loss allocated to such defendant in direct proportion to such defendant's percentage of responsibility as determined under subsection (b). A separate judgment shall be rendered against such defendant for that amount.

(b) PROPORTION OF RESPONSIBILITY.—For purposes of this section, the trier of fact shall determine the proportion of responsibility of each party for the claimant's harm.

SEC. 207. DEFENSES INVOLVING INTOXICATING ALCOHOL OR DRUGS.

(a) CIVIL ACTIONS IN WHICH ALL DEFENDANTS ARE MANUFACTURERS OR PRODUCT SELLERS.—In any civil action subject to this Act in which all defendants are manufacturers or product sellers, it shall be a complete defense to such action that the claimant was intoxicated or was under the influence of intoxicating alcohol or any drug and that as a result of such intoxication or the influence of the alcohol or drug the claimant was more than 50 percent responsible for the accident or event which resulted in such claimant's harm.

(b) OTHER CIVIL ACTIONS.—In any civil action subject to this Act in which not all defendants are manufacturers or product sellers and the trier of fact determines that no liability exists against those defendants who are not manufacturers or product sellers, the court shall enter a judgment notwithstanding the verdict in favor of any defendant which is a manufacturer or product seller if it is proved that the claimant was intoxicated or was under the influence of intoxicating alcohol or any drug and that as a result of such intoxication or the influence of the alcohol or drug the claimant was more than 50 percent responsible for the accident or event which resulted in such claimant's harm.

(c) INTOXICATION DETERMINATION TO BE MADE UNDER STATE LAW.—For purposes of this section, the determination of whether a person was intoxicated or was under the influence of intoxicating alcohol or any drug shall be made pursuant to applicable State law.

(d) DEFINITION.—As used in this section, the term "drug" means any non-over-the-counter drug which has not been prescribed by a physician for use by the claimant.•

• Mr. GORTON. Mr. President, I am pleased to join Senators ROCKEFELLER, LIEBERMAN, DANFORTH, and DODD in introducing the Product Liability Fairness Act. The Commerce Committee has examined this issue very carefully for over a decade, and this process has resulted in the balanced and fair legislation that we are introducing today.

Product liability reform is essential because the current product liability system is inefficient and unfair. The tort system should award fair compensation in a timely fashion, but it does not. Cases can drag on for years. Over 20 percent of seriously injured persons receive no compensation for 5 years. A 1989 GAO study indicates that the average case takes nearly 3 years to resolve, longer if there is an appeal. When compensation is awarded, too much money goes to pay transaction costs, such as attorneys' fees, rather than to the injured persons. Former Commerce Secretary Robert Mosbacher testified that as much as 75 percent of these awards go to transaction costs. This bill provides both plaintiffs and defendants meaningful incentives to settle product liability suits.

Not only does the present product liability system generate excessive costs and delay, it does not compensate injured persons in proportion to their losses. According to a study by the insurance services offices, an injured person can expect to receive a windfall of nearly nine times his losses if his injuries are minor. If his injuries are severe, however, he should expect to receive only 15 percent of his losses. A severely injured victim cannot afford to gamble on the outcome of lengthy litigation. As a result, many are forced to settle for an amount far less than their injuries warrant.

Injured persons are not the only ones who are treated unfairly by the tort system. It imposes inordinate costs on U.S. business. According to a 1989 study by the Tillinghast insurance consulting firm, total tort costs in 1987 were $117 billion. This represents 2.5 percent of gross domestic product. According to Prof. Robert Tollison of George Mason University, this is nearly double the level of U.S. net national savings and one-fourth the amount of gross private investment.

The excessive costs of the tort system put U.S. companies at a competitive disadvantage in world markets. According to a study conducted for the Department of Commerce, domestic manufacturers may face product liability costs up to 20 to 50 times higher than those paid by foreign competitors. An excellent example of this competitive disadvantage can be found in the 1988 conference board survey of CEO's. It stated that, in 1986, $7 billion of Dow Chemical's $13 billion annual sales came from foreign sales, and the company's legal and insurance expenses in the United States totaled $100 million. During that same year, Dow paid less than $20 million for comparable services overseas, even though foreign sales exceeded domestic sales by $1 billion.

Important sectors of our domestic economy are losing substantial market shares to foreign competitors, since the excessive costs of the product liability system put American interests at a competitive disadvantage in world markets. For example, the Association of Manufacturing Technology estimates that the domestic machine tool industry has lost nearly 25 percent of its market share to foreign competi-

tors in recent years. Much of this loss is attributed to the excessive costs of the current product liability system, which takes resources from and inhibits the development and marketing of innovative products. The U.S. machine tool industry spends seven times more on product liability costs than on research and development.

Higher prices are just one aspect of our competitiveness problem. The current product liability system often leads manufacturers to decide not to market new products. For example, John Gatzemeyer designed a safety rail to assist young children to go up and down stairs, while he was a student of industrial design at Syracuse University. His design won a first prize in 1989 from the Juvenile Products Manufacturers Association and a gold award in 1990 from the Industrial Designers Society of America. Fisher-Price declined to produce this child rail because of liability concerns. Their spokesman stated, "We're a little bit afraid to do anything with a product that has anything to do with stairs." Fisher-Price's situation is not unusual. The conference board found that nearly half of the firms in the survey have discontinued products as a result of the product liability system. In addition, 39 percent had decided not to introduce new product lines, and 25 percent had discontinued product research as a result of the system. Prof. Michael Porter of the Harvard Business School and author of a book published in 1990 entitled, "The Competitive Advance of Nations," testified before the Senate Commerce Committee: "American liability law as it is now structured causes companies to slow the rate of innovation." With a patchwork of 50 State laws, manufacturers often do not know what legal standards will be applied by a court in an economy in which more than 70 percent of manufactured products move in interstate commerce.

The problem is particularly pronounced in the area of medical products and technology. The American Medical Association [AMA] stated in 1988:

> Innovative new products are not being developed or are being withheld from the market because of liability concerns or inability to obtain adequate insurance.

The difficulties several firms attempting to develop an AIDS vaccine have experienced recently, support AMA's conclusion. According to an article published last year in Science, liability concerns have had a negative effect on efforts to develop a vaccine. For example, Genentech Co. delayed research, and Immune Response Corp., delayed clinical trials because of liability concerns. Even if a vaccine was successfully developed and approved by the Food and Drug Administration, the current climate probably would discourage its introduction. The Office of Technology Assessment published a study last month, which underscores this regretable conclusion. The study found that fear of product liability "may be a particularly significant barrier to industry's willingness to develop, test, and market potential vaccines against HIV and may become a major policy concern for the Federal Government."

The uncertainty of the current system extends beyond medicine and into the entire scientific community. It stifles the scientific research that is essential for the development of innovative products. Dr. Malcolm Skolnick, a professor of biophysics at the University of Texas Health Science Center, who is also a lawyer, told the Commerce Committee at a April 5, 1990, hearing on product liability:

> Scientific inquiry is stifled. Ideas in areas where litigation has occurred will not receive support for exploration and development. Producers fearful of possible suit will discourage additional investigation which can be used against them in future claims.

Former Commerce Secretary Mosbacher testified before the Senate Commerce Committee that the unpredictability of the current system discourages research universities from licensing patents to business firms for fear of being sued as a deep pocket.

This bill restores fairness to the product liability system. It encourages the settlement of lawsuits without litigation, based on rule 68 of the Federal Rules of Civil Procedure, and through the use of existing voluntary and nonbinding alternative dispute resolution [ADR] procedures. Such procedures will help injured persons receive compensation for their losses quickly without incurring substantial legal fees.

The bill also modifies the rule of joint and several liability with respect to noneconomic damages. This provision limits a defendant's liability to his percentage of fault for damages, such as pain and suffering and emotional distress. The bill changes the standard of proof for awarding punitive damages, based on the recommendation of the American College of Trial Lawyers and the American Bar Association. The bill also provides for a separate proceeding on punitive damages, reflecting the fact that they are a quasi-criminal type of penalty.

Mr. President, this legislation contains several changes from last year's bill to respond to legitimate criticism by its opponents. For example, consumer organizations expressed concern that the penalty on claimants for refusing to participate in ADR was too severe. I disagree, since no penalty would be imposed on any litigant who agrees to go to ADR, even if there is a trial. Nevertheless, the bill we are introducing today provides that a claimant would never be penalized for electing not to use ADR.

The Conference of Chief Justices and consumer groups expressed concern that, under last year's bill, a State court could interpret a provision one way, with the Federal courts in that State interpreting it differently. In such a situation, the inconsistency would not be resolved until the U.S. Supreme Court ruled on the matter. This bill addresses this problem by requiring the decisions of a U.S. circuit court of appeals to be binding on the State courts of all States within the circuit.

This legislation also includes a very important provision that protects the right of consumers to receive compensation. Section 204 contains a discovery rule statute of limitations which preserves a claimant's right to sue until he or she knows, or through reasonable diligence should know, both that he or she has been harmed and the cause of the harm. The provision would apply in personal injury and wrongful death cases involving products. Many States today, in wrongful death cases, automatically cut off a survivor's right to sue 1 or 2 years after the death occurred. The bill will preserve the survivor's right to sue until 2 years from when the cause of death is discovered.

I have long supported efforts to reform the product liability system. I have opposed, however, earlier bills that I considered to be anticonsumer and too extreme. This is a modest proposal. It bears minimal resemblance to the prodefendant product liability bills initially supported by business groups in the early 1980's. Very significant changes have been made over the years.

Mr. President, this is a fair bill which allocates responsibility for injuries equitably. The current system does not. The current system is a lottery. A severely injured plaintiff is required to take a chance on the lottery in order to be compensated. Too often it is the victim who loses when this unpredictable system produces an unfair result. The system should encourage quick settlements that equitably allocates responsibility. This legislation includes innovative approaches to accomplish this objective, while not imposing undue burdens on claimants. Moreover, by reducing transaction costs, this legislation should improve our manufacturers' competitive position in world markets. It is these excessive costs that pose an undue burden on manufacturers and discourage the development of innovative products.

Mr. President, I urge my colleagues to support this legislation.•

• Mr. LIEBERMAN. Mr. President, I am pleased to be here to join my colleagues, Senators ROCKEFELLER, GORTON, DANFORTH, and DODD, to introduce the Product Liability Fairness Act of 1993. This is a very balanced moderate bill. It is probusiness and proconsumer at the same time. And I believe it is a bill that can become law.

The winds of change are with us. The American people have sent a message to their elected representatives that they want us to get serious about the business of making America work—and putting America back to work. They are demanding that we take a second look at the rules our Government has set, and whether those rules make sense. That is what this bill is about—setting up a product liability system that makes sense and works.

This bill must be a part of any long-term strategy to create economic growth and competitiveness. They key to renewing the American economy is reviving our traditional strength in manufacturing. The United States has always been the most inventive Nation in the world, but too often in recent years we have left those inventions for others to manufacture and commercialize. We need to be designing, building, and bringing to market the next generation of high-quality, high-value products the world will want to buy. The problem is that almost any manufacturing activity—and especially designing and building new products—runs squarely into our product liability system.

Here are some examples of how product liability concerns squelch innovation and competitiveness:

When the World Resources Institute, a noted environmental think-tank, listed its 12 environmentally critical technologies, one was contraception. Yet, as WRI noted, "the U.S. private sector has largely withdrawn because of the risks of product liability lawsuits and the delays and risks of regulatory approval. Only one of the many large pharmaceutical companies previously involved in contraceptive research is still active."

In July 1992, Abbott Laboratories announced that it was dropping plans for human trial of a drug that could prevent HIV-infected mothers from transmitting the disease to their kids because of product liability concerns.

Harris Corp., a manufacturer of high-quality computer chips, developed semiconductor chips for heart implants, but delayed commercialization of the product pending negotiation of arrangements with its customer for sharing liability costs.

Harvard University will not license technologies for commercial development unless the licensee indemnifies the university against all product liability claims and the licensee maintains an insurance policy of $2 million per claim up to a total of $2 million per year.

This bill would help solve these problems. It surgically targets some of the most excessive, unfair obstacles created by our current liability system, obstacles that inhibit the competitiveness of American business and its ability to innovate and create new jobs.

But this bill does not take a baseball bat to the product liability system. Rather it balances business' need for greater predictability, particularly in the area of punitive damages, with the need for changes that help consumers. For consumers, our bill creates a nationwide statute of limitations that is more generous than is available in many States. It also contains provisions that are designed to encourage speedier settlements and use of alternative dispute resolution. And, to the extent that costs of products are lowered because of lower legal costs, consumers can expect to pay less for the products they buy.

These reforms make sense. They are fair. They are what America, its consumers, its businesses, and its workers, need.•

• Mr. DANFORTH. Mr. President, today I am joining Senators ROCKEFELLER, GORTON, LIEBERMAN, and DODD in introducing the Product Liability Fairness Act. This bill is similar to S. 640, which was considered last September by the Senate but was set aside because proponents fell two votes short of the 60 needed to invoke cloture. Product liability reform legislation clearly enjoys the support of a majority of the Senate.

The Senate Commerce Committee has compiled an extensive record indicating that the current system is inequitable, wasteful, and unacceptably slow. For example, a study by the Insurance Services Office found that individuals with serious injuries who litigate their claims recover less than 15 percent of their losses, while those with minor injuries recover a windfall of nearly nine times their losses. Further, a study by the General Accounting Office [GAO] revealed that, on average, cases take nearly 3 years to resolve, even longer if there is an appeal. Severely injured persons who desperately need prompt compensation deserve better. The status quo can and must be improved.

Since the 96th Congress, the Commerce Committee has sought to improve the status quo with a wide variety of measures to reform the product liability system. This legislation is the result of long-term efforts.

Title I addresses the problem of delayed compensation by establishing reasonable incentives for parties to resolve their disputes out of court. The title has two parts. First, the provision on expedited settlements provides that either party may make a settlement offer. If a party declines an offer and then does worse at trial, the party making that offer is required to pay the other party's reasonable legal fees and costs. In order to protect a claimant from receiving less than his economic losses under this provision, the penalty on a claimant is limited to the amount of collateral benefits the claimant may receive. The penalty on a defendant is limited to $50,000.

Second, title I promotes the use of existing alternative dispute resolution [ADR] programs. It provides that either party may offer to use ADR. If a defendant refuses to participate and then loses at trial, the defendant may be required to pay the claimant's reasonable legal fees and costs. The trial court judge would have discretion not to impose this penalty. There would be no comparable penalty on claimants.

These provisions are significant because they help to speed compensation to injured persons in a timely fashion. They demonstrate that the sponsors of this bill are attempting to meet the concerns expressed by opponents last year that the penalties to be imposed on claimants were excessive.

The inadequacies of the product liability system are not limited to the unfairness of the system to injured persons. It also imposes enormous costs on key businesses, which hinder their ability to compete in global markets. For example, product liability costs have nearly destroyed the U.S. light aircraft industry. The product liability insurance cost for such an aircraft manufactured in this country is $70,000 per airplane. The reason for this extraordinary cost is that the manufacturer can be held liable for injuries or deaths resulting from an accident more than 20 years after manufacture, even if pilot error was the cause. As a result of product liability costs, sales of these aircraft dropped from 17,000 in 1979 to 899 last year.

While the light aircraft industry struggles to survive, other useful products are simply withdrawn from the market. Merrill Dow's antinausea drug, Bendectin, is such a product. This drug, which was used during pregnancy, was removed from the market in 1983, 25 years after its introduction, because the cost of defending lawsuits exceeded revenues. This occurred despite the fact that Merrill never lost a lawsuit involving this product. Although the Food and Drug Administration has never withdrawn its approval of this drug, it is not available in this country, and there is no comparable product on the market.

The unpredictable patchwork of 50 State laws also deters the development of important new products because manufacturers cannot accurately assess their liability risks. An example of this problem is an AIDS vaccine developed by Dr. Jonas Salk. The Immune Response Corp. indicated last year that it is delaying clinical trials on the vaccine because of liability concerns. In addition, Abbott Laboratories decided not to conduct tests on its vaccine which prevents HIV-positive mothers from spreading the virus to their unborn children because of liability concerns. The Office of Technology Assessment last month published a study which concluded that liability concerns were a barrier to the development of an AIDS vaccine.

The bill addresses the problems caused by the current product liability

system for business through the creation of uniform rules of law. For example, the bill addresses the procedures for awarding punitive damages. Such awards are intended to punish gross misconduct and serve as a deterrent. Yet, punitive damages are frequently sought by claimants. It is often difficult for defendants to assess what standards will be applied in assessing punitive damages. When punitive damages are awarded, according to GAO, a majority are overturned or reduced on appeal. The frequency with which these awards are overturned raises questions about their merit.

For a manufacturer, the potential of large punitive awards can lead to the decision not to market important new products, such as the AIDS vaccine. The bill requires that a claimant prove that his injury was caused by the defendant's conscious, flagrant indifference to the safety of those persons who might be harmed by clear and convincing evidence in order to receive punitive damages. Also, a defendant can request a separate proceeding on punitive damages, and only during this phase of the proceedings will evidence admissible to determine punitive liability be admitted. This provision, which is derived from studies and recommendations by the American Bar Association and the American College of Trial Lawyers, provides enhanced predictability for all parties. Twenty-two States have adopted the clear and convincing standard of proof, and another has enacted the even higher standard of proof beyond a reasonable doubt.

The bill also addresses the doctrine of joint and several liability. It is outrageous that an individual who is 1-percent responsible for a person's injuries can be held 100-percent responsible. The bill addresses this problem through the establishment of a uniform standard that is derived from an emerging trend in State law. It provides that a claimant may recover all of his economic damages, such as medical expenses or lost wages, from any defendant. But, a claimant may recover noneconomic damages, such as pain and suffering, from an individual defendant only in proportion to that defendant's fault. This is the California rule which voters in that State adopted in a 1986 referendum. Twenty-three States have adopted this rule. The bill does not affect the 11 other States that have abolished joint and several liability altogether.

The Product Liability Fairness Act is the result of all the previous bills, hearings, and extensive consultations with legal scholars. It is moderate legislation that does not prevent a claimant from recovering for his or her injuries. It solves the problems caused by the unpredictable patchwork of inconsistent State product liability laws by proposing a uniform statute. The bill calls for limited preemption of State law in key areas that will result in enhanced uniformity, while maintaining the States' basic prerogatives to create their own tort laws. The individual provisions of the bill are not extreme measures designed to favor one party over the other in litigation. Rather, they are derived from the mainstream of State tort laws and seek balanced and fair results.

The Senate Commerce Committee has held 21 hearings and 5 markups of product liability reform proposals. There is no need for more hearings or further study. Now is the time to act on this modest proposal. This legislation has been the victim of gridlock for over a decade. I challenge those who have blocked consideration of this issue to prove that gridlock is finished by allowing the Senate to vote promptly on this issue.●

● Mr. DODD. Mr. President, I am pleased to cosponsor the Product Liability Fairness Act of 1993 with my distinguished colleagues Senators ROCKEFELLER, LIEBERMAN, DANFORTH, and GORTON. This balanced bill will make the product liability system work better for consumers and businesses.

The problem is that the present system is broken, I think everyone would agree that the results you obtain in a product liability case depend largely on your ability to afford a good lawyer. That is true whether you are a consumer or a business.

For plaintiffs, the studies show a tragic pattern of uncompensated victims and delayed payments to those victims who obtain judgments. A recent study by the General Accounting Office, for example, found that it took 5 years to pay claims that involved the average dollar loss.

Furthermore, the studies show dramatically different compensation for similar injuries incurred in the very same way, with wealthier and better educated people faring far better than poor or middle-income people and less well-educated people. The studies also show that far too many dollars go to legal costs, dollars that should be going to the victims.

At the same time, the system does not work well for businesses. They are reluctant to introduce new products and are worried about unaffordable insurance costs. Unfortunately, some businesses have had to shut down because of the costs associated with product liability.

Clearly, this burden on our businesses hurts the Nation's economic competitiveness. Not surprisingly, many workers are extremely concerned about inequities in product liability cases. This point was made very clear during a visit that I made last summer to the firm of OEM Controls in my home State of Connecticut. It is the largest manufacturer of controls for electrohydraulic valves. In addition to meeting with management, I met with employees. They presented me with a petition urging me to improve the product liability system and we discussed the issue. It was supposed to be a 15-minute meeting but it went on for over an hour and a half.

Mr. President, these are concerned workers in my State who are worried about their jobs. They are worried about what will happen to their jobs if their company is subjected to costly lawsuits. They strongly believe, as do citizens across my State, that we have to create a greater sense of fairness. They are also very sensitive to what happens to innocent victims who are hurt by negligence or the malfunctioning of a product. They want those victims to recover damages, and they want to see victims made whole, but they want a system that works much more fairly.

Certainly, this bill will not solve all of the problems of the product liability system, but it will improve that system for everyone—for consumers, workers, and manufacturers. It is the kind of moderate reform that we need to reduce the abuses in the current system without eliminating solid protections for those who are victimized by defective or dangerous products.

By providing a more uniform system of product liability, this bill will reduce the excessive costs and uncertainty in the present system. This improvement is one of the reasons why the National Governors Association has testified in support of product liability reform. In 1991, the association said:

> The United States needs a single, predictable set of product liability rules. The adoption of a Federal uniform product liability code would eliminate unnecessary cost, delay, and confusion in resolving product liability cases.

The provisions in the bill that encourage fair settlements and the use of alternative dispute resolution will also help reduce the excessive costs in the current system. Currently, too much money goes to transaction costs, primarily lawyers fees, and not enough goes to victims. A 1993 survey of the Association of Manufacturing Technology found that every 100 claims filed against its members cost a total of $10.2 million. Out of that total, the victims received only $2.3 million with the rest of the money going to transaction costs, primarily legal fees. Clearly, we need to implement a better system in which the money goes to those who need it—injured people.

Most importantly, and I cannot emphasize this enough, the moderate reforms in this bill offer a balanced approach to the needs of both consumers and businesses. Consumers will benefit, for example, from a statute of limitations provision that preserves the harm and the cause. In many cases it is difficult to determine the cause of harm

and, under the current system, some plaintiffs lose their ability to sue. With this legislation, people injured by products will have adequate time to bring a lawsuit.

Businesses will also benefit from this legislation. For example, in order to recover punitive damages, the plaintiff must prove, by clear and convincing evidence, that the harm was caused by defendant's conscious, flagrant indifference to the safety of those persons who might be harmed by a product. This provision will allow defendants to have a clear understanding of when they may be subject to this quasi-criminal penalty. At the same time, it does not institute arbitrary caps or limits which would restrict the rights of plaintiffs.

Additionally, the legislation gives defendants an absolute defense if the plaintiff was under the influence of intoxicating alcohol or illegal drugs and the condition was more than 50 percent responsible for plaintiff's injuries. This provision, it seems to me, is nothing more than common sense.

Furthermore, product sellers will only be liable for their own negligence or failure to comply with an express warranty. The only exceptions to that rule are that the seller will be liable if the manufacturer cannot be brought into court or if the claimant would be unable to enforce a judgment against the manufacturer. This provision will eliminate the need for sellers to hire lawyers in a high percentage of the roughly 95 percent of the cases where they are presently not found to be at fault.

Although this is not the time to go through all of the reforms in the legislation, the provisions I have outlined demonstrate the balance that is struck between consumers and businesses. In the final analysis, the reforms in the bill should strengthen the product liability system for everyone.

Mr. President, this is an issue that I have spent a great deal of time on. During the 1970's, I opposed the product liability legislation that was before Congress because I thought that it hurt plaintiffs. In 1986, I joined with the distinguished senior Senator from Missouri and offered what I thought was a more balanced approach. We did not get very far with that effort. With this bill, we have yet another opportunity to fix the system.

Because of the enormous costs associated with the product liability system, both economic and social, we must address this issue with the seriousness that it deserves. Unfortunately, in the past, some have characterized the debate as a battle between the manufacturers and the insurance companies on the one side, and consumers and trial attorneys on the other. Some have viewed this legislation in antagonistic terms, with one side winning and one side losing—as if this were some kind of college basketball game.

But the problem is much more complex than that and the solution will be much more complex. As this bill moves forward, we will hear from many concerned citizens who can help us strengthen this legislation. Undoubtedly, we will need to make some technical changes. But this bill, with its balanced approach to reform, takes us a long way toward a fairer product liability system.•

By Mr. LAUTENBERG (for himself, Mr. PELL, Mr. METZENBAUM, and Mr. MURKOWSKI):

S.J. Res. 76. A joint resolution concerning the dedication of the U.S. Holocaust Memorial Museum; to the Committee on the Judiciary.

HOLOCAUST MEMORIAL MUSEUM JOINT RESOLUTION

• Mr. LAUTENBERG. Mr. President, I rise today for the purpose of introducing a joint resolution to commemorate the dedication of the U.S. Holocaust Memorial Museum and to commemorate a moment in history when evil triumphed over mankind, when silence emboldened the wicked, when all the basic decencies of civilized life seemed to have been lost.

Sadly, nazism was not, as we would prefer to think, a random outbreak of maniacal lawlessness by a bunch of hooligans. Rather, it was the rigorously systematic, bureaucratically organized, and legally sanctioned murder of millions of innocent people. People whose only crime was their religion, nationality, or disability.

The laws of Nazi Germany set the stage for the Holocaust. But it was men and women who accomplished the evil that came after.

After each move, Hitler and his colleagues waited, assessing the reaction, wondering aloud if anyone cared. The world's silence was seen as acceptance.

Hearing no objection, the random violence was replaced by depersonalized, systematic brutality in camps like Auschwitz, Treblinka, Belzec, and Buchenwald—death camps whose sites still mar the countryside of Europe. Camps that transformed not only the physical but the moral landscape of the modern world. Camps that transformed all those who saw them.

Why is it so important to remember what some might think is best forgotten? We remember not only to grieve, though grieve we must, but to learn. We learned that silence helps only the killer and never the victims. So we speak out against antisemitism and against bigotry and hatred wherever it occurs.

We remember because it is a gift of grace, protecting people who may not know us and whom we may not know. Because those who remember will never permit any people to be forsaken as were the oppressed of Europe.

Congress, recognizing the importance of commemorating the Holocaust, established the U.S. Holocaust Memorial Council and mandated it to lead the Nation in civic commemorations of the victims of the Holocaust and to build, with privately used funds, the U.S. Holocaust Memorial Museum. Construction of the museum has been completed and the museum, located on the mall, will be dedicated during the national observance of the Holocaust from April 18 through April 25. As a member of the Holocaust Memorial Council, I am introducing this resolution, commemorating the dedication of this museum and committing to the ages this very dark period in history.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S.J. RES. 76

Whereas, in 1980, the Congress of the United States established the United States Holocaust Memorial Council (Public Law 96-388, dated October 7, 1980) by unanimous vote and mandated it with the creation of a permanent living memorial museum to the victims of the Holocaust;

Whereas, through the great generosity and unstinting efforts of thousands of individuals from all walks of life, the United States Holocaust Memorial Museum has now been built on Federal land with private contributions and will be officially dedicated on April 22, 1993;

Whereas, this institution will underscore the ideals of human rights and individual liberty this Nation was founded upon, as expressed by President George Washington in 1790, when he declared that the United States had created "a government which to bigotry gives no sanction, to persecution no assistance";

Whereas, four administrations and every Congress since 1980, and especially Members of Congress and individuals who have served on the Council and officials of the United States Departments of State, the Interior, and Education, have joined with the American public in bringing this institution to life; and

Whereas, this museum signifies national dedication to remembering the Holocaust, and will serve as the Nation's leading educational facility to teach current and future generations of Americans about this tragic period of human history and its implications for our lives and the choices we make as individuals and societies against crime based on hate and prejudice regarding race, religion, and sexual preference: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the One Hundred Third Congress officially commemorates the opening and recognizes the historic importance of this unique institution as it takes its place among the other great memorials and museums in our Nation's Capital that honor the democratic precepts this Nation is based upon; and be it further

Resolved, That Congress encourages all citizens of the United States, and all who come to Washington, District of Columbia, to visit the Museum and avail themselves of the opportunities presented within its walls

to learn about the past and to contemplate the moral responsibilities of citizenship; and be it further

Resolved, That, in remembrance of those who perished in the Holocaust; in tribute to the survivors who came to the United States to build a new life, and who, with their families, have contributed so much to the fabric of our diverse society; in recognition of heroic American soldiers who liberated prisoners of Nazi camps; in recognition of the anonymous bravery of rescuers from many lands who had the courage to care and placed their own lives in peril to help others in need; and in hope that Americans will learn from this museum the need to remain vigilant against bigotry and oppression; we welcome the United States Holocaust Memorial Museum to the center of our American heritage and state now, in recognition of the Museum's motto, that for the dead and the living and those yet to be born, we do bear witness.●

By Mr. HATCH:

S.J. Res. 77. Joint resolution to designate the week of April 18, 1993, through April 24, 1993, as "International Student Awareness Week"; to the Committee on the Judiciary.

INTERNATIONAL STUDENT AWARENESS WEEK

Mr. HATCH. Mr. President, I rise today to introduce legislation designating the week of April 18 to 24, 1993, as International Student Awareness Week. International students and international student exchange programs have become an integral part of education as the world becomes more of a global community.

As nations of the world emerge from the cold war to face new opportunities for democracy and economic growth, it is still important for young people to share their cultures, languages, and good will. As trade barriers come down, respect and understanding generated by students can play a powerful role in the development of strong future ties among governments and businesses.

In my home State of Utah, international student exchange programs are critical to education both at secondary and higher education schools. We have a very active affiliate of the International Education Forum in Utah.

The International Education Forum has a national office, 3 regional offices, and about 1,000 local community coordinators in America. Since it was founded in 1981, this organization has facilitated bringing over 100,000 international high school students to study in the United States. Likewise, their counterpart representatives abroad have hosted 4,000 American students over the years.

While this resolution does not intend to single out this or any other group for commendation, it does intend to highlight the many good things that can be achieved by international student exchanges.

These students and their exchange programs plant the seed of tolerance, provide fertile ground for future global leaders, and nurture understanding of local, national, and global communities. Where cultural, social, and political walls once stood are now bridges of friendship and compassion.

Peace comes through understanding, and international students are the grass roots ensigns of that understanding. In recognizing the crucial role they play in promoting global awareness and understanding, I urge my colleagues to support this resolution.

Mr. President, I ask unanimous consent to insert the text of this joint resolution in the CONGRESSIONAL RECORD.

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

S.J. RES. 77

Whereas international student exchange programs provide students with an enriched and improved quality of life through first-hand experience with different cultures;

Whereas international student exchange programs provide fertile training ground for future world leaders;

Whereas international student exchange programs make enormous strides toward world peace through understanding;

Whereas international student exchange programs enrich a student's understanding of the United States and its communities; and

Whereas the United States recognizes the need for an increased awareness of such valuable programs: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 18, 1993 through April 24, 1993, is designated as "International Student Awareness Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

By Mr. MURKOWSKI (for himself, Mr. PRYOR, and Mr. BUMPERS):

S.J. Res. 78. A joint resolution designating the beach at 53 degrees 53'51"N, 166 degrees 34'15"W to 53 degrees 53'48"N, 166 degrees 34'21"W on Hog Island, which lies in the Northeast Bay of Unalaska, Alaska as Arkansas Beach in commemoration of the 206th regiment of the National Guard, who served during the Japanese attack on Dutch Harbor, Unalaska on June 3 and 4, 1942; to the Committee on Energy and Natural Resources.

ARKANSAS BEACH JOINT RESOLUTION

Mr. MURKOWSKI. Mr. President, I rise today to introduce a joint resolution that would designate a beach on Hog Island, located in the Northeast bay of Unalaska, AK, to be named Arkansas Beach.

During World War II, the Aleutian Islands were the location of a largely forgotten campaign that was considered of great strategic importance to both United States and Japanese forces. Initially, the Aleutian Islands did not seem to have any strategic importance because of the bitterly cold climate and the barren, rocky land that made air bases of dubious value. However, both the United States and Japan were aware of the strategic advantages that occupation of the islands might have. Ultimately, the Aleutian Islands were to be considered of great strategic importance to both the United States and Japanese forces, as occupation of either side would threaten the mother country of the other.

In 1941, the 206th Artillery Regiment of the Arkansas National Guard was dispatched to the Aleutian Islands. It was these valiant young men of the 206th Regiment, many of whom had never ventured far from their homes in Arkansas, who were present at Dutch Harbor when the Japanese attacked on June 3 and 4, 1942.

Although the attack on Dutch Harbor was part of a little-known chapter of World War II, it was indeed gruesome: 35 people died and another 28 were wounded in the two separate raids on June 3 and 4, 1942. During the time of the Japanese invasion, three brave soldiers of the Arkansas unit lost their lives. It is only appropriate that we commemorate these valiant young men who served their country well and are worthy of our honor.

This forgotten invasion of Dutch Harbor and the Aleutians has been recorded in history as just another incident in World War II, but it was part of the major early battle in the Pacific, that influenced the course of much of the war. The battle was the prelude to the Japanese attack on Midway—the Battle of Midway and America's success in destroying four of Japan's aircraft carriers helped to blunt the Japanese advance giving America time to rebuild its forces that had been severely damaged by the attack on Pearl Harbor just 7 months earlier.

Mr. President, the city council of the city of Unalaska, the Alaska State Legislature, and the Arkansas State Legislature, fully support the designation of the beach on Hog Island to be named Arkansas Beach. Along with my colleagues from Arkansas, I would encourage this body to join in recognition of this worthy commemoration and support this resolution.

Mr. BUMPERS. Mr. President, I am pleased to be a cosponsor of Senator MURKOWSKI's joint resolution to designate a beach on Hog Island, Unalaska, AK, as Arkansas Beach.

In 1942, the Aleutian Islands were the site of an important but largely forgotten military campaign that played an important role in influencing the outcome of the Second World War. When the Japanese attacked Dutch Harbor in the Aleutian Islands, members of the 206th Coast Artillery of the Arkansas National Guard, who were stationed on Hog Island, helped defend the island and the strategic harbor. The attack forced the Japanese to divert their forces from a planned rendezvous at Midway Island, a diversion that contributed to the American victory at the Battle of Midway and gave the Jap-

anese their first major defeat in the war.

For many of these young men from Arkansas it was their first time away from home. They endured much hardship but fought with great bravery and distinction. Several lives were lost including three from the Arkansas regiment. It is ironic that these Arkansans found themselves on Hog Island. The legend of the Arkansas razorback hog is well known in Arkansas. The hog is a symbol of courage, determination, fortitude, and discipline. The members of the Arkansas National Guard personified and embodied all these qualities while stationed on Hog Island.

Mr. President, the city of Unalaska, the State of Alaska, and the Arkansas State Legislature have all passed resolutions to rename a beach on Hog Island to Arkansas Beach. I believe this is a fitting tribute to these gallant soldiers and I hope my colleagues will join me in cosponsoring this important resolution.

Mr. PRYOR. Mr. President, I come to the floor today as an original cosponsor of the joint resolution designating the beach known as Hog Island located in the State of Alaska as Arkansas Beach. This resolution is sponsored by one of my colleagues from Alaska, Senator MURKOWSKI.

During World War II, an Arkansas National Guard Regiment, the 206th Coast Artillery, served diligently on Hog Island. During Japanese air attacks of Dutch Harbor in June of 1942, three men from this regiment were killed as they bravely defended this territory.

The State of Alaska has passed Senate Concurrent Resolution 37 which names this beach Arkansas Beach. I am proud to join my friend Senator MURKOWSKI in supporting this resolution and I am hopeful that it will pass the Senate very soon.

ADDITIONAL COSPONSORS

S. 7

At the request of Mr. MCCONNELL, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 7, a bill to amend the Federal Election Campaign Act of 1971 to reduce special interest influence on elections, to increase competition in politics, to reduce campaign costs, and for other purposes.

S. 70

At the request of Mr. INOUYE, his name was added as a cosponsor of S. 70, a bill to reauthorize the National Writing Project, and for other purposes.

S. 221

At the request of Mr. METZENBAUM, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 221, a bill to allow a prisoner under sentence of death to obtain judicial review of newly discovered evidence showing that he is probably innocent.

S. 342

At the request of Mr. BOREN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 342, a bill to amend the Internal Revenue Code of 1986 to encourage investment in real estate and for other purposes.

S. 412

At the request of Mr. EXON, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 412, a bill to amend title 49, United States Code, regarding the collection of certain payments for shipments via motor common carriers of property and nonhousehold goods freight forwarders, and for other purposes.

S. 414

At the request of Mr. METZENBAUM, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 414, a bill to amend title 18, United States Code, to require a waiting period before the purchase of a handgun.

S. 419

At the request of Mr. DANFORTH, the name of the Senator from Vermont [Mr. JEFFORDS] 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. 487

At the request of Mr. DANFORTH, the name of the Senator from Vermont [Mr. JEFFORDS] 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. 573

At the request of Mr. BREAUX, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 573, a bill to amend the Internal Revenue Code of 1986 to provide for a credit for the portion of employer Social Security taxes paid with respect to employee cash tips.

S. 669

At the request of Mrs. KASSEBAUM, the names of the Senator from Utah [Mr. HATCH], the Senator from Vermont [Mr. JEFFORDS], the Senator from South Carolina [Mr. THURMOND], the Senator from New Hampshire [Mr. GREGG], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of S. 669, a bill to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of Mr. JOHNSTON, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of Senate Joint Resolution 47, a joint resolution to designate the week beginning on November 21, 1993, and the week beginning on November 20, 1994, each as "National Family Week."

SENATE JOINT RESOLUTION 60

At the request of Mr. BYRD, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Tennessee [Mr. SASSER], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 60, a joint resolution to designate the months of May 1993 and May 1994 as "National Trauma Awareness Month."

SENATE JOINT RESOLUTION 66

At the request of Mr. THURMOND, the names of the Senator from Nebraska [Mr. EXON], the Senator from Hawaii [Mr. AKAKA], the Senator from Ohio [Mr. GLENN], the Senator from Illinois [Mr. SIMON], the Senator from Virginia [Mr. ROBB], the Senator from Alabama [Mr. SHELBY], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from New Jersey [Mr. BRADLEY], the Senator from New York [Mr. D'AMATO], the Senator from North Carolina [Mr. HELMS], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of Senate Joint Resolution 66, a joint resolution to designate the weeks beginning April 18, 1993, and April 17, 1994, each as "National Organ and Tissue Donor Awareness Week."

SENATE JOINT RESOLUTION 75

At the request of Mr. ROTH, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of Senate Joint Resolution 75, a joint resolution designating January 2, 1994, through January 8, 1994, as "National Law Enforcement Training Week."

SENATE CONCURRENT RESOLUTION 15

At the request of Mrs. FEINSTEIN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Concurrent Resolution 15, a concurrent resolution expressing the sense of the Congress regarding the emphasis that the Defense Base Closure and Realignment Commission should place on the economic impact of the closure of military installations for closure during the 1993 base closure.

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. SHELBY, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution expressing the sense of Congress that equitable mental health care benefits must be included in any health care reform legislation passed by Congress.

SENATE RESOLUTION 11

At the request of Mr. DECONCINI, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Resolution 11, a resolution relating to Bosnia-Hercegovina's right to self-defense.

SENATE RESOLUTION 68

At the request of Mr. D'AMATO, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of Senate Resolution 68, a resolution urging the President of the United States to seek an international oil embargo through the United Nations against Libya because of its refusal to comply with United Nations Security Council Resolutions 731 and 748 concerning the bombing of Pan Am flight 103.

AMENDMENT NO. 285

At the request of Mr. BURNS, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of amendment No. 285 proposed to H.R. 1335, a bill making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

SENATE RESOLUTION 85—RELATIVE TO PRINT A SENATE REPORT

Mr. FORD for Mr. PRYOR (for himself and Mr. LAUTENBERG) submitting the following resolution; which was considered and agreed to:

S. RES. 85

Resolved, That there shall be printed for the use of the Special Committee on Aging, in addition to the usual number of copies, the maximum number of copies of volumes 1 and 2 of the annual report of the committee to the Senate, entitled "Developments in Aging: 1992", which additional copies may be printed at a cost not to exceed $1,200.

AMENDMENTS SUBMITTED

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

GRAMM AMENDMENT NO. 286

Mr. GRAMM proposed an amendment to amendment No. 283 proposed by Mr. BYRD to the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, as follows:

In amendment No. 283, strike all after "inserting" on page 20, line 14 through "$2,536,000,000," on page 26, line 7 and insert in lieu thereof the following: "'$18,251,309,430': *Provided*, That section 310(c) of said Act is amended by renumbering existing subsection (2) as subsection (2)(B) and by adding a new subsection (2)(A) as follows:

"(2)(A) ninety days after distribution of any increase in the fiscal year 1993 obligation limitation, as enacted October 6, 1992, revise the distribution of such increased funds under subsection (a) if a State has not obligated and received bids on projects for the increased amount distributed, and redistribute amounts to all States able to obligate amounts on projects for which bids can be received no later than August 1, 1993;".

Provided, none of the funds provided under this Act for community development grants or the highway trust fund may be used to assist activities related to gymnasiums, parks graffiti abatement, bike paths, parking garages, parking lots, swimming pools, recreation centers, sports facilities, boat houses, soccer fields, ice skating, playgrounds, jogging paths or hiking trails.

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation", for capital improvements grants, $187,844,000 to remain available until September 30, 1993.

FEDERAL TRANSIT ADMINISTRATION

FORMULA GRANTS

For an additional amount for "Formula grants" for capital grants, $466,490,000, to remain available until September 30, 1993, of which $17,423,000 shall be apportioned under section 16, $26,420,000 under section 18, and $422,647,000 under section 9 of the Federal Transit Act, as amended: *Provided*, That, if any such funds are not obligated within 90 days of enactment of this Act, such funds shall be allocated for any eligible capital project under such Act, at the discretion of the Secretary.

The language under this heading in the Department of Transportation and Related Agencies Appropriations Act, 1993, is amended by deleting "$1,700,000,000" and inserting in lieu thereof "$2,182,340,000".

TRUST FUND SHARE OF TRANSIT PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

The language under this heading in the Department of Transportation and Related Agencies Appropriations Act, 1993, is amended by deleting "$1,134,150,000" and inserting "$1,150,000,000" and by deleting "$1,049,025,000" and inserting "$1,064,875,000": *Provided*, That these additional funds shall be apportioned under section 9 of the Federal Transit Act, as amended: *Provided further*, That if any such funds are not obligated within 90 days of enactment of this Act, such funds shall be allocated for any eligible capital project under the Federal Transit Act, at the discretion of the Secretary.

DISCRETIONARY GRANTS

For an additional amount of "Discretionary grants", $270,000,000, to remain available until September 30, 1993: *Provided*, That none of the funds may be available for grants under section 3(k)(1)(A) or section 3(k)(1)(B) of the Federal Transit Act, as amended.

CHAPTER IX

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

INFORMATION SYSTEMS

For an additional amount for "Information systems", $43,600,000 to fund procurement of computer and telecommunications equipment and services.

CHAPTER X

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

For an additional amount for "Medical care", $201,933,000, for nonrecurring maintenance projects in Department of Veterans Affairs' health care facilities.

For an additional amount for "Medical care", $751,000, to remain available until expended, for additional projects to improve energy efficiency at Department of Veterans Affairs facilities.

DEPARTMENTAL ADMINISTRATION

CONSTRUCTION, MINOR PROJECTS

For an additional amount for "Construction, minor projects", $32,873,000, for miscellaneous projects and the National Cemetery Program.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOMELESS ASSISTANCE

TRANSITIONAL AND SUPPORTIVE HOUSING DEMONSTRATION PROGRAM

For an additional amount for "Transitional and supportive housing demonstration program", $423,000,000, to remain available until December 31, 1994: *Provided*, That the Secretary shall fund approvable applications for such additional amount in the order submitted, in accordance with requirements established by the Secretary: *Provided further*, That the Secretary may waive, in whole or in any part, any requirement set forth in subtitle C of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended, except a requirement relating to fair housing and nondiscrimination, if the Secretary finds that such waiver will further the purposes of this appropriation: *Provided further*, That notwithstanding section 426(a)(3) of that Act, the applicant shall own or control the site at the time of application: *Provided further*, That the total amount approved for any one applicant may not exceed $10,000,000: *Provided further*, That after December 31, 1994, any of the foregoing amount that is obligated, but which the grantee has not drawn down from its letter of credit, shall be deobligated by the Secretary and shall expire: *Provided further*, That the Secretary shall, by notice published in the Federal Register, establish such requirements as may be necessary to carry out the provisions of this appropriation.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

For an additional amount for "Community development grants", $2,392,119,355.

KOHL (AND SHELBY) AMENDMENT NO. 287

Mr. KOHL (for himself and Mr. SHELBY) proposed an amendment to amendment No. 283 proposed by Mr. BYRD to bill, H.R. 1335, supra, as follows:

On page 28, strike lines 23 through 26 and insert the following:

SEC. 202. All funds provided for under this Act are hereby designated to be emergency requirements for the purposes of adjusting the spending limits for fiscal year 1993 under the Balanced Budget and Emergency Deficit Control Act of 1985. The adjustments required by the preceding sentence shall apply only to fiscal year 1993 and the spending limits for fiscal year 1994 or fiscal years thereafter shall not include such adjustments.

GRAHAM (AND MACK) AMENDMENT NO. 288

Mr. GRAHAM (for himself and Mr. MACK) proposed an amendment to amendment No. 283 proposed by Mr. BYRD to the bill, H.R. 1335, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . HIGHWAY APPORTIONMENT FLEXIBILITY.

(a) IN GENERAL.—During fiscal year 1993, subject to subsections (b) and (c), and notwithstanding any other provision of law, a State may transfer among and within the following program funds apportioned to the State for fiscal year 1993 to carry out the following programs:

(1) The congestion mitigation and air quality improvement program established under section 149 of title 23, United States Code.

(2) The highway bridge replacement and rehabilitation program established under section 144 of such title.

(3) The Interstate maintenance program established under section 119 of such title.

(4) The Interstate substitute program established under section 103(e)(4) of such title.

(5) The National Highway System as described in section 103(b)(2) of such title.

(6) The surface transportation program established under section 133 of such title.

(b) LIMITATION.—An amount transferred from a program by a State under subsection (a) shall not exceed the apportionment of the State for the program for fiscal year 1993.

(c) EFFECT ON FISCAL YEAR 1994 APPORTIONMENT.—If a State transfers funds from a program under subsection (a)—

(1) the amount of funds shall be credited back to the donor program for fiscal year 1994; and

(2) the program to which the funds are transferred in fiscal year 1993 shall have the amount deducted from the amount apportioned to such program for fiscal year 1994.

GRAHAM (AND BOND) AMENDMENT NO. 289

Mr. GRAHAM (for himself and Mr. BOND) proposed an amendment to amendment No. 283 proposed by Mr. BRYD to the bill, H.R. 1335, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . MINIMUM HIGHWAY ALLOCATION.

Section 157(a) of title 23, United States Code, is amended—

(1) in paragraph (4), by striking "(4) THEREAFTER.—In fiscal year 1992 and each fiscal year thereafter" and inserting "(4) FISCAL YEARS 1992 AND 1993.—In fiscal years 1992 and 1993"; and

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

"(5) AFTER FISCAL YEAR 1993.—

"(A) GENERAL RULE.—Subject to subparagraph (B), in fiscal year 1994 and each fiscal year thereafter on October 1, or as soon as possible thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that a State's percentage of the total apportionments in each fiscal year and allocations for the prior fiscal year for Interstate construction, Interstate maintenance, Interstate highway substitute, National Highway System, the surface transportation program, the bridge program, scenic byways, and grants for safety belts and motorcycle helmets shall not be less than 90 percent of the percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund, other than the Mass Transit Account, in the latest fiscal year for which data are available.

"(B) MINIMUM ALLOCATION.—The minimum allocation of a State under this paragraph shall not be reduced as a result of an allocation of funds to the State in the prior fiscal year for Interstate Construction, Interstate maintenance, Interstate highway substitute, National Highway System, the surface transportation program, the bridge program, scenic byways, and grants for safety belts and motorcycle helmets.".

DANFORTH AMENDMENT NO. 290

Mr. DANFORTH proposed an amendment to amendment No. 290 proposed by Mr. BRYD to the bill, H.R. 1335, supra, as follows:

Strike everything on line 1 through 7 of page 21.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, March 31, 1993, at 9:30 a.m., in open session, to receive testimony on the military policy concerning the service of gay men and lesbians in the Armed Forces: The role of unit cohesion in developing combat effectiveness.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate Wednesday, March 31, 1993, at 10 a.m., conduct a hearing on the nomination of Eugene Ludwig to be Comptroller of the Currency; and to vote on pending nominations.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. FORD. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, March 31, beginning at 9:30 a.m., to conduct a hearing on Federal/State relations in implementing our Nation's environmental laws.

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 Wednesday, March 31, at 10 a.m., to hold a nomination hearing on Winston Lord, to be Assistant Secretary for East Asian and Pacific Affairs.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Wednesday, March 31, at 9:30 a.m., for a hearing on the nomination of James Lee Witt, to be Director of the Federal Emergency Management Agency.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a joint hearing with the House Committee on Veterans' Affairs to receive legislative presentations from AMVETS, the Veterans of World War I, the Vietnam Veterans of America, and other veterans' organizations. The hearing will be held on March 31, 1993, at 9:30 a.m., in room 345 of the Cannon House Office Building.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on oversight of cost and other factors affecting veterans' choice of health care at 1:30 p.m. on Wednesday, March 31, 1993. The hearing will be held in room 418 of the Russell Senate Office Building.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, March 31, 1993, at 4:30 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON COURTS AND ADMINISTRATIVE PRACTICE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Courts and Administrative Practice of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, March 31, 1993, at 2 p.m., to hold a hearing on S. 540, the Bankruptcy Amendments Act of 1993.

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

ADDITIONAL STATEMENTS

THINGS WE OUGHT TO BE DOING IN RUSSIA

• Mr. SIMON. Mr. President, one of our most thoughtful colleagues, who takes a long-term look at the needs in our society and our world, is Senator BILL BRADLEY.

He recently had an article in the New York Times, commenting on the things that we ought to be doing in Russia. It is the best article like that I have seen from anyone. It is practical and yet it understands that you have to give people dreams.

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One of the most telling statements in the whole article of the comment that someone in Russia made to him: "In the 1930's, when the Soviet Union was building Stalinist communism, thousands of Americans came to Russia to help. Now, when we're trying to build a market-oriented democracy, few Americans offer to help. Why?"

That is a question we ought to ask ourselves.

We have to respond. And the Bradley article points out practical ways of doing it.

Our colleague has made a solid contribution.

I ask to insert the Bill Bradley article into the RECORD at this point.

The article follows:

[From the New York Times, Mar. 24, 1993]

THE RIGHT STUFF FOR RUSSIA

(By Bill Bradley)

WASHINGTON.—The need to clarify U.S. policy toward Russia has been heightened by the political crisis in Moscow. Our long-term interests there can be promoted by practical aid and people-to-people programs.

Boris Yeltsin's solution to the impasse between a popularly elected President and a Parliament that, under the Constitution, is the supreme organ of the state shows he believes the answer to the problems of emerging democracy is more democracy. He has cast his fate on the seas of his own waning but still significant popularity.

In an atmosphere in which individuals regularly switch opinions and sides, the U.S. should not try to intervene in Russia's day-to-day politic concerns such as: Should the Parliament impeach Mr. Yeltsin in light of the Constitutional Court's ruling yesterday that his announcement of emergency powers violated the Constitution? Should concessions be made for the support of Vice President Aleksandr Ruskoi? Russians, not Americans, will decide these problems. But Washington ought to keep open the lines of communication to all sides.

Beyond the political drama are the large issues that Russian society is debating: whether it should seek integration with the West or exist apart from the West. Whether it will focus inward on its gargantuan economic, environmental and ethnic problems or look imperially toward the former republics of the Soviet Union and beyond.

Whether free enterprise and private property will be actively promoted or barely tolerated. Whether more power should be dispersed to the oblasts and autonomous republics of the Russian Federation or exercised exclusively from Moscow.

Whether Russia should adopt a model of economic development that is economically and politically liberal or one in which, like China, it would seek Western capital, technology and markets but deny individual freedom while preserving collectivist controls.

Russia opts for the Chinese model, America and Europe could end up espousing open trade, free markets and democracy but be unable, in the 21st century, to advance our values and compete freely in a vast area from Kaliningrad to Shanghai that plays by different rules and starts from different cultural principles.

I hope President Clinton thinks about the long term. Since August 1991, America has moved at a dangerously slow pace, giving Russians who want to regard reform an opportunity to blame us for our empty promises.

To play a more constructive role, we need to see America's relationship with Russia beyond tomorrow's headlines and with emphasis on improving the lives of American and Russian citizens.

With the defeat of Communism, there is no ideological conflict between our nations. We should make it absolutely clear that we support both Russia and our own values. This means respecting the human rights of the 25 million Russians who live as minorities in the former Soviet republics, avoiding encouragement to the movements of self-determination in the 20 autonomous republics of the Russian Federation such as Checheno-Ingush and Tatarstan, and giving Russian history and culture the respect they deserve.

Such actions will make clear to all Russians that we are not anti-Russian. It was the expansionist Communist system, not Russian culture, that we opposed.

America's values and interests are served by helping Russia become a democracy with a market-oriented economy that raises its living standards, with a smaller defense establishment, with a firm commitment to guarantee individual human rights and with the acceptance of free-flowing capital, trade and ideas.

In other words, our objective should be to normalize relations with Russia and the other former Soviet republics and to bring them into the international system as full members.

Russia's main worry lies to the east, where an emerging Chinese colossus with a booming economy and a modernizing military maintains its territorial claims on Russia, and to the south, where the people of Islam, full of religious fervor and rapid birth rates, yearn for greatness. A strong U.S.-Russian relationship can reassure Russia and hedge against changes that would injure U.S. interests in Europe and Asia.

The Clinton Administration should adopt a tangible and nonbureaucratic program that has a permanent effect and not only helps Russia but also Ukraine, the Baltics, Kazakhstan and the other former republics on the road to reform.

With U.S. leadership, the West should reduce the burden of foreign debt on the economy accumulated during the Communist years by rescheduling it and promoting debt-equity swaps, replace the 17 Chernobyl-type reactors that are time bombs threatening Europe and the world with radioactive emissions, and send far more humanitarian aid (medicine, food, infant formula, syringes) for suffering pensioners and children.

In addition, the World Bank should provide insurance coverage (similar to that offered by the Overseas Private Investment Corporation) to private investors in the farming and energy sectors. We need to push multilateral financing for trade in oil and gas equipment, and provide additional assistance to nuclear scientists and scientific institutes to convert from military to civilian pursuits.

We should help Russian refugees from the former Soviet republics get resettled and started in private farming by giving the green light to lending by the World Bank, and should combine help for a social safety net with radical monetary reform that could stabilize the ruble, provided that Russia caps its money supply and controls inflation.

In addition to its support for international financial institutions, this program would cost the U.S. $3 billion to $5 billion a year: between 1 and 2 percent of our defense budget.

The most important long-term consideration is to maximize the personal ties of Russians, Ukrainians, Balts, Kazakhs and others with Americans. A Russian friend in Moscow said: "In the 1930's, when the Soviet Union was building Stalinist Communism, thousands of Americans came to Russia to help. Now, when we're trying to build a market-oriented democracy, few Americans offer to help. Why?" I did not have a good answer.

We should begin a large-scale exchange program bringing tens of thousands of Russians here annually. Last year, there were nearly 50,000 Chinese in our colleges, as there has been for a decade, and 127,000 students from Taiwan, Japan, India and Singapore. There were only 1,200 Russians.

Nothing short of a large-scale sharing of ideas, people and training will accomplish our goals of economic prosperity and political security for Russia, its neighbors and ourselves.

I hope that President Clinton encourages Americans to reach out generously toward the peoples of Russia, Ukraine and the other republics. There should be 30,000 Russian high school students living with American families for a year, 10,000 Russians in small business in towns across America, 10,000 college students at our universities and thousands of former military officers learning modern banking, finance and accounting in the West.

We can help young people learn what life in a market-oriented democracy with a heart is all about. They will see America's openness, generosity and pride at work. Their experience would bring our peoples together in countless ways, creating bonds that would last a lifetime. As the Russians get ready to decide their future in the streets or, preferably, at the ballot box, we should step forward on many fronts with solid help for their country.•

S. 473, THE DEPARTMENT OF ENERGY NATIONAL COMPETITIVENESS TECHNOLOGY PARTNERSHIP ACT OF 1993

• Mr. GORTON. Mr. President, last week the Energy and Natural Resources Committee held a series of hearings on S. 473, the Department of Energy National Competitiveness Technology Partnership Act of 1993. This legislation has been developed largely by Senators JOHNSTON and DOMENICI, and is designed to enhance U.S. competitiveness by facilitating partnerships between industry and the Department of Energy's national laboratories. I am pleased to be an original cosponsor of the bill.

The Department of Energy's national laboratories have a wealth of scientific and technical capabilities and resources. Sometimes referred to as the crown jewels of American science, the 30 laboratories house some 23,000 of the Nation's finest scientists, engineers, and technicians. For many decades the labs have carried out missions of vital importance to the Federal Government, but radical reductions in U.S. defense requirements now dictate that a portion of this resource be redirected. As a result, we have the opportunity to join the brainpower of the DOE labs with the creativity of U.S. industry to achieve the common goals of enhancing U.S. competitiveness.

The Pacific Northwest Laboratory is one of the Department of Energy's national laboratories, and has resources in Richland, Sequim, and Seattle, WA. Approximately 4,000 PNL employees are conducting research and development on a variety of technologies critical to this country, including environmental remediation, energy efficiency, and advanced processing technologies that have application to transportation and information systems.

Washington State is fortunate to have a national laboratory, as well as several high-technology industries that are critical to the competitiveness of the country, two first-rate research institutions, and an education system that is being reformed in order to be responsive to the marketplace of the 21st century. Add the presence of the Boeing Co. and we have a combination of capabilities that can not only help the State create jobs, but help the United States compete in the international arena. S. 473 is a catalyst that will speed this process.

Last week's hearings featured testimony from Secretary of Energy O'Leary, directors of various national labs, and representatives of private industry. Witnesses discussed ways to improve the bill by speeding the partnership process, focusing the expertise of the labs, and making the labs more accountable for the success of partnerships. It is my understanding that Chairman JOHNSTON hopes to mark up the bill early in May.

Mr. President, much has been written about how S. 473 is in direct competition with the Commerce Committee's competitiveness bill, S. 4. As both a member of the Commerce Committee and a Representative of a State that hosts a national laboratory, it seems to me that this conflict has been greatly exaggerated. I am confident that the Commerce and Energy Committees can work together to produce compatible measures, and that the national laboratories will play a prominent role in whatever technology initiative is approved by this Congress. These labs represent a well of talent, expertise, and technology that is too valuable not to be tapped.

I applaud the leadership of Senator DOMENICI and Senators JOHNSTON and BINGAMAN in developing this legislation, and look forward to working with them to win passage of the bill.•

CRANBROOK-KINGSWOOD HIKERS

• Mr. LEVIN. Mr. President, those of us who live or work on the east coast of the United States all have our own tales to tell of the great blizzard, perhaps the storm of the century, that started on March 12, 1993. But there is a very special story, one that captured the attention of the Nation, about 117 hikers from the Cranbrook-Kingswood Upper School in Bloomfield Hills, MI.

With great anticipation and enthusiasm, 117 sophomores, student coleaders, and faculty had embarked a week earlier on a 10-day wilderness survival experience in the Great Smoky Mountains. Such trips had been going out from the school since 1970, and for the sophomores it was a challenge that they prepared themselves for and looked forward to all year.

Students in the past had talked about the adventure of being alone in the woods and the camaraderie of working and cooperating with each other in small groups; they talked about the survival skills they learned and the pride they felt in knowing what they could endure; and, they talked about the beauty of nature and the fun they were having.

But this was destined to be different from any previous trip, and these 117 people, plus hundreds more, were suddenly bonded together by a force that was awesome in its fury—a record-breaking blizzard. Now it was not just 117 hikers learning how to survive in a beautiful national park—it was worried parents and faculty back home, park rangers looking for stranded campers, helicopter pilots traversing hundreds and hundreds of square miles, emergency centers trying to coordinate a vast search, and media reporting to the country every time another group was found or another sighting was made.

It was a terrible 5 days, especially for the loved ones back home and the students who made it out of the park early—for they had to wait nervously for the rest to come out while they watched pictures on television of blinding snowstorms and listened to the mounting number of casualties.

Mr. President, this story has a happy ending. One hundred seventeen people started this trip and 117 survived, even though 2, 1 student and 1 faculty member, sustained injuries that are still being monitored. But we must remind ourselves that hundreds of people did not survive this storm. I am sure this point is not lost on the students especially, and no matter what they felt while out there in the wild—whether it was a sense of exaltation, or adventure, or confidence, or fear, or despair, or hope—I know they must all be thankful for the inner strength and courage that sustained them and their families. Some of the students have shared their thoughts with us, some have become introspective, but you can bet that when they are grandparents, they will tell their grandchildren about the great blizzard of 1993 that they conquered, or perhaps survived.

I have already, on behalf of grateful Michigan residents, thanked the Governors of Tennessee and North Carolina. To them and to the Smoky Mountain National Park rangers, the Forest Service personnel, the wonderful helicopter pilots who put their lives on the line, and to all the workers at the emergency operations centers, we say thanks for a truly heroic effort.

By the way, I told the Governors to send their kids to Michigan's wonderful wilderness areas sometime—and to rest assured that if they ran into the unexpected, Michigan would be there for them as they were for us.•

TRIBUTE TO A REVITALIZED CHATTANOOGA

• Mr. MATHEWS. Mr. President, I read recently with great interest, as well as a great sense of pride, an article in the Nashville Scene newspaper titled "Rethinking Chattanooga, the Renaissance of a Rust City," by Clark Parsons.

The Chattanooga of the 1990's is quite a different place from the city of some 20 years ago, with many of the positive changes which have transformed the city having taken place in only the past 5 years. Today, among its successes Chattanooga boasts the world's largest freshwater aquarium, which has seen more than 1 million visitors in less than a year, a restored Warehouse Row, and RiverPark.

Mr. President, innovative organizations and programs such as Chattanooga Venture, the RiverCity Co., and Chattanooga Neighborhood Enterprise have fostered unique private/public sector partnerships which have served to revitalize the city.

These groups, along with others, have not only played a pivotal role in expanding the local economy, but have also ,worked to promote the boundless natural resources which surround Chattanooga, and instill an appreciation for the city's rich history.

Today, the city of Chattanooga stands as a shining example and testament to what can be accomplished when leadership cares—when a city and the community it serves work together with a vision towards improving the quality of life for all.

The city of Chattanooga and its citizens are to be commended for their efforts and can be proud of their many accomplishments.

Mr. President, I ask that the article to which I have referred in my statement be included in the RECORD following my remarks.

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

RETHINKING CHATTANOOGA, THE RENAISSANCE OF A RUST CITY

(By Clark Parsons)

For years now, driving through Chattanooga has meant just that—driving *through* Chattanooga. Tennessee's fourth largest city, midway between Atlanta and Nashville, or Birmingham and Knoxville, has been, for many, merely a means of marking a road trip's progress. A spot on the map. A place to endure See-Rock-City signs, or, as the car hurtles along, a place to chuckle and start singing, "Pardon me, boy, is that the Chattanooga Choo-Choo?"

But lately, if a driver passing through Chattanooga on I-24 happened to heed the

welcome signs, took the turn onto Highway 27, and quickly exited at Martin Luther King Boulevard, numerous marvels would greet him downtown:

There's Miller Park, a block-sized open space with benches, a vast fountain, and a garden atmosphere.

Just north of Miller Park is Miller Plaza, a small office complex where locals gather for weekday lunches, and where bands play Friday night concerts during warm months.

Across the street from the park, to the east, sits the new Solomon Federal Building, a dynamic white, postmodern structure.

A couple of blocks to the south is Warehouse Row, a beautifully renovated former warehouse complex converted into an upscale shopping development featuring factory outlets for the likes of J. Crew, Ralph Lauren, Gitano and Perry Ellis.

A few hundred yards further south is the restored Chattanooga Choo-Choo train station, now a Holiday Inn and museum attraction.

Two blocks east on MLK Blvd. is Bessie Smith Hall, a complex with a performance space, restaurant/cabaret area, practice rooms for students, a gift shop, the Chattanooga African-American Museum, and a permanent exhibit honoring Bessie Smith, the legendary, Chattanooga-born blues singer.

Turning north onto Broad Street, the traveler passes rows of stately trees now adorning the center of the wide street, where locals stroll beneath stately lamps that light the new all-brick sidewalks.

On the left is the historic Tivoli Theater, saved from a wrecking ball and now a restored wonder of 1920s baroque architecture.

Watch out for the electric buses—11 of the noiseless, battery-operated vehicles are now in use as part of a prototype program.

Ahead in the distance loom the glass spires atop the Tennessee Aquarium, the world's largest freshwater aquarium facility. The exhibit, situated on the banks of the Tennessee River, opened in May of 1992 and has already attracted more than 1.3 million visitors.

Park the car and wander through the Tennessee RiverPark, an environmental exhibit demonstrating the area's history with fossil castings, irregular concrete pathways, brick patterns and other curiosities.

Ahead and to the left along the river is Ross' Landing, a new riverfront park.

Ahead, stretching in both directions along the waterfront, runs a completed phase of the Riverwalk. Upon completion, the 20-mile boardwalk and greenway will allow walkers and joggers to enjoy almost the entire length of the city's riverfront.

The construction noise on the waterfront to the right is coming from the Riverfront apartment complex, a stylish public/private venture aimed at boosting downtown residential development.

Just upriver to the east, that gleaming fresh, light-blue paint job belongs to the Walnut Street Bridge, a 100-plus year-old span across the Tennessee River. It's been restored and will reopen May 1, not as an auto bridge, but as a pedestrian pathway for enjoying the river. Its new wooden planks will support walkers, joggers, bikers and rollerbladers only, although the electric buses will use it too.

Chattanooga has undergone astounding changes, and most of them have occurred in the last five years. "It's been amazing how quickly a lot has changed," says Lois I. Osborne, a state park manager who moved to the Chattanooga area in 1986. Osborne is one of the many who say that the city, which depressed them when they arrived, has surprised them with its turnaround.

There's an almost palpable optimism in the air. "We had this feeling that we couldn't do it here," says Councilwoman Mai Bell Hurley. "Now, we have a reverse feeling. We think we can do everything here."

How did a city of approximately 150,000 people, with a total metropolitan headcount of 433,000, recreate itself so quickly and completely? Isn't this the same Chattanooga that *lost* population in the 1980s? Isn't this the town that was rated in the early 1970s as having the most polluted air of any U.S. city, even worse than Los Angeles?

Ten years ago, the only study Chattanooga needed was an autopsy. Now, flocks of city leaders—from 25 different cities at last count—have trekked from places like Knoxville and Saskatoon, Saskatchewan, to learn from Chattanooga's renaissance.

Visitors have examined the city's unique process of "visioning," a sort of city-wide brainstorm session that generates goals. They've admired the way those ideas are given shape by an urban design center sponsored by university, city, and philanthropic interests. They've learned how a public/private joint venture development company can fulfill the people's visions by rushing in where both governments and capitalists fear to tread. Outsiders have turned green with envy at the tales of a city's aristocracy and business leaders opening their own wallets to ensure meaningful change. They've discovered a city that is successfully wrestling with its racial and environmental demons and, at the same time, bluntly discussing its failings. They've met a city that knows what it wants to be.

The effort to resurrect Chattanooga crystallized because the city was facing extinction. By all accounts, the 1980s were extremely unkind to the city's economy.

The city had long positioned itself as a manufacturing center, rivaling Birmingham in the South; but, when the recession of the early 1980s began hitting local textile, steel and chemical industries, massive layoffs began a downward spiral.

"This is a city that at one time had just under 40 percent of its workforce in manufacturing," says James G. Vaughan Jr., president of the area Chamber of Commerce. "Now it's just under 25 percent."

The malaise wasn't limited to the eroding job base, however. Thanks primarily to air and water pollution from the heavy industries, the city was an environmental basket case. "You literally walk out the door, take three breaths and be high," one longtime resident says, recalling the fumes that plagued Chattanooga in the early '70s.

Also, like many other American cities at the time, Chattanooga saw its downtown-degenerating. "When I came to work here right after college, I almost came close to quitting," says a resident who asked not to be identified. "It was such a depressing place. There were few people downtown, and a bunch of dirty movie houses and low rent bars. It was bleak."

The Chamber's Vaughan disagrees that downtown was lost. "Our main drag was never boarded up," he says, but he agrees that aside from construction of a massive TVA office building downtown, the area's wheels were spinning.

Some have pointed to the city's geography as a symbol for its socioeconomic structure and a cause of the crisis. While the urban zones grew grim and polluted, many of the city's elites enjoyed the rarefied air of residential life atop Lookout Mountain, the primary residence for the city's well-to-do. Others have defended those who dwell on the mountain from charges of avoiding the city's dying core, pointing out that they descended every day to work in the same polluted valley.

Still, common phrases like, "those folks up on top of the mountain," make it clear the divisions were pronounced, not only between the rich and poor, but also between whites and blacks, who make up one third of Chattanooga's populace.

All of the negative factors added up to a pervasive assumption that locals could do nothing to help Chattanooga. With Nashville and Atlanta thriving on either side, the city felt all the more stagnant. "People were starting to say, 'I wonder if Chattanooga can do anything.'" says the Chamber's Vaughan.

In hindsight it's hard to name the one specific thing that saved Chattanooga. Many insiders point to a 1984 trip organized by the Chamber of Commerce as the first positive step. Approximately 50 local leaders went to Indianapolis, Ind., which had successfully transformed itself from a rust belt casualty to a renewed metropolis. After the trip, the Chattanoogans met regularly for months and discussed what other cities had done.

Out of the lessons learned, Chattanooga Venture, a non-profit organization, was created. Its first project was Vision 2000, an ongoing public forum that, in an effort to boost morale, invited all citizens to come forward and suggest improvements for the city.

Over a period of several months in 1984, more than 1,700 citizens participated in the visioning process. Ideas, suggested in nighttime brainstorm sessions at local high schools, were reviewed in later meetings. Eventually, this raw material was crafted into a set of 40 ambitious goals.

The first goal was to create a positive image for the city and Hamilton County. Two other primary goals were to carve a role as a river city and to shore up downtown so that it could serve as the city's signature.

In many ways, the goals read like a wish list, filled with dreams of a vital and livable downtown, a riverfront development plan, alleviation of substandard housing, pollution reduction, prevention of teen pregnancy, a spouse abuse shelter, a human relations commission, male youth offender treatment facilities, business and industrial zones for new development, renovation of the Tivoli Theater, more parks, support of local artists, and even a new, more representative form of city government. With the list polished, Venture contacted local organizations that might have a stake in achieving some specific goal. They created committees and volunteer networks for particular projects. Some goals, however, were merely goals the citizenry wanted, with little mechanism available to turn them into reality.

"There was a lot of skepticism," says Eleanor Cooper, executive director of Chattanooga Venture. "The myth was definitely floating around that the power structure controlled things. It probably was more of a power vacuum, and no one was making those decisions."

Some observers salute Venture's role as a catalyst for discussion and thought; but they also state bluntly that it's not the only reason Chattanooga has changed.

"At last, the leadership of this community has come to realize that it can't simply exist on Lookout Mountain at the upper reaches of society and be truly fulfilled, happy and successful unless the whole city is," says one longtime resident.

Today, much of the credit for Chattanooga's renewal goes to one of the city's most

influential people, Jack Lupton, whose family's Coca-Cola bottling fortune is rumored to be beyond human comprehension. During the 1980s, The Lyndhurst Foundation, which is endowed by Lupton's family, began an activist effort to fund innovative and progressive projects.

Developer Leonard Kinsey says that while Chattanooga Venture and other local efforts were influential, it was Lupton who led the charge. "Anybody that has any clue about what's happened knows the main reason is Jack Lupton," Kinsey says. "He said, 'Let's do something about Chattanooga.' "

Ruth Holmberg, chairman of the Chattanooga Times, jokes that Lupton, who, she says, persuaded skittish downtown merchants to go along with changing the name of 10th Street to MLK Boulevard, is their "500-pound gorilla." She says the city is blessed with an inordinate number of philanthropies that have aided Chattanooga, but the Lyndhurst Foundation goes to the top of the list. "Their influence in the city is unparalleled and can't be minimized."

Lupton provided a generous start-up grant to Chattanooga Venture. In the mid-'80s, while Venture was building consensus on the city's vision of itself, the jointly appointed Moccassin Bend Task Force had begun addressing another component of Chattanooga's identity: its natural endowments. Moccassin Bend is the largely undeveloped tear-shaped, 600-acre archipelago formed by the Tennessee River just after it passes downtown Chattanooga. The land, owned by the city, county and state, is a natural and archeological treasure.

One of the task force's actions was to hire Carl Lynch, Boston urban designer; the resulting energy was an ambitious riverfront master plan. The task force also emerged with a series of charges. First, public access to the river should be encouraged at every opportunity. Secondly, anything built along the river should be of the highest quality. And finally, an organization would have to be established to make sure the plans were implemented.

"If somebody didn't get up every Monday morning and think about it, then probably in five years we'd be dusting the study back off," says Bill Sudderth, president of The RiverCity Company, the unique, not-for-profit development company created out of the Moccasin Bend recommendations.

The RiverCity Company's board of directors is a mixture of business, civic, and elected officials, and its purpose is to turn the study's words and pictures into actions.

"Implementing studies is a lot harder than doing them, and Chattanooga, for a long time, became known as a city that was probably overstudied," says Sudderth. "Once the community has decided on a particular project, we hopefully have the expertise to get a project off the drawing board, off the ground, and open."

The years of hard work and organizing have paid off. Chattanooga is now equipped with an innovative goal-planning system that has actually shown results. However, the biggest test of the city's newfound resolve came with the construction of the Tennessee Aquarium. The idea of a freshwater aquarium had been kicked around for years, especially after a similar operation successfully opened in Baltimore in 1981. The idea was revived by students at the Urban Design Center, itself an adjunct to the RiverCity Company and the city Planning Commission. More than $7 million in seed money for a large civic attraction had already been appropriated by Governors Alexander an McWherter.

Sudderth says RiverCity commissioned architects to draw up plans and bought approximately $3 million worth of land. By early 1988, RiverCity had raised $24 million in funds, much of it from Jack Lupton, Olan Mills and other local philanthropists, but they were still short of the estimated price tag, which exceeded $45 million.

Sudderth says McWherter aide Jim Hall encouraged them to go ahead and break ground. "Once a project has broken ground, people quit thinking in terms of 'If.' It becomes a 'When.' A lot of people who'll fight it suddenly quit fighting and they'll go fight another project."

Sudderth says that decision to break ground shows the hybrid strength of RiverCity. Government is often reluctant to take such risks, he says, and private sector developers rarely build without cash in hand. He also cites the political advantages of the company's structure. "Most cities put organizations like us as part of city government, or they remove it from city government and fight with it all the time," Sudderth says.

With ground broken and the aquarium under construction, and especially with Lupton behind the project, there were few doubts that it would happen. Still, the anxiety wasn't completely gone. As the project progressed, many wondered aloud why the city needed a "multimillion dollar fishtank." One resident recalls that "there were a lot of perfectly thoughtful people who said, 'This is an enormous venture, and what happens if it fails?' "

It didn't. More than one million people—twice the projected number—visited the attraction in its first year, despite the fact that it bought no advertising. Now, its success serves as a kind of touchstone for Chattanoogans' renewed confidence.

Amid the momentum, RiverCity is completing a riverfront apartment complex. When the company was soliciting a private firm to design and build the apartments, it sent out packets to 70 developers nationwide, including some in Nashville.

Only one bid came back, from Chattanooga's Leonard Kinsey & Associates, the firm responsible for redeveloping the Choo-Choo in the late '80s. "We submitted a bid which was very different from what is being built," says John Kinsey, the firm's president.

Because the project was being chiefly developed by RiverCity, it qualified for public money. Thus, while Kinsey's bid had to be economically sound from a private developer's standpoint, RiverCity opted to work with the firm and raise enough capital for a better quality project. The city helped fund the venture, ensuring that the Moccasin Bend study's recommendation to have first-class river development would be carried out.

Meanwhile, Eleanor Cooper says it was Jim Rouse, head of the Baltimore-based Enterprise Foundation, who challenged the city to eliminate all substandard housing by the year 2000. The city accepted the challenge, and with Rouse's advice and aid, the Chattanooga Neighborhood Enterprise is well on its way to improving an inventory of more than 10,000 local residences.

"Jim Rouse said that if you make a city a good place for its own citizens to live, then other people will want to do business there, come and live, and tourists will come," says Councilwoman Hurley.

The city's successes have surprised many local residents, and it's possible to hear any number of suggestions as to which achievements other prospective cities might do well to emulate. "It's interesting to watch communities come in here and try to figure out why it happened here, and they pretty much all settle on the fact that, 'Hell, if we had the Lyndhurst foundation, we could do that too,' " Sudderth says.

"What we've tried to say to them is, 'Tell you what we'll do. In the case of Knoxville, you send us UT and we'll trade, OK?' We've tried to tell communities to look at what you've got. What is the strength you can build on?"

All agree that the visioning process has taught the city a profound lesson in the value of inclusiveness.

"I think it's terribly important to get everybody at the table," says Hurley, who came to the City Council with a background in the civic private sector and arts organizations. Many of the best ideas in any city, she says, have been floating around the community for years, but the visioning process creates a synergism and momentum that actually gets things done.

"That was sort of our motto, "Turn talk into action,' " Hurley says.

It would be easy to claim that Chattanooga had created Eden in a half-decade, but the city still faces persistent problems:

Despite attainment of the Clean Air Act goals, there is still environmental damage to be corrected. Chattanooga Creek is said to be one of the most polluted bodies of water in America. Race relations, while improved, grew strained earlier this month after a black motorist, pulled over for DUI, was strangled by five white police officers. Osborne says that the city is still more segregated than she'd like, and one resident says that while a black middle class exists in Chattanooga, it's far too small.

The *Times'* Holmberg agrees that there's still a long way to go. "I don't think we've gotten to the point yet where we're giving lessons," she says. "We have overcome our feeling of metropolitan insecurity. I think universally, people are looking for the next step."

For Sudderth, the next step is another on the road toward Chattanooga's modest goal of being "the best mid-sized city in the South."

"I can remember the whole time I was in Nashville," says Sudderth. "There was a feeling that if you were from Chattanooga, you were inferior. I think [that feeling is] gone. We long ago lost the race of being the biggest, but there's no reason we can't be the best.

On a chilly Tuesday night in early February, more than 100 people are at Chattanooga's Howard School of Science and Technology for one of the many Revision 2000 meetings. In this particular classroom, Mary K. Radpour, a Chattanooga Venture boardmember and private family and marital therapist, is facilitating the discussion among a diverse group of nine people. She passes out a sheet of paper and asks everyone to take five minutes to list ideas that describe the best community Chattanooga can be in regard to "Places." This is the same way Radpour led meetings nine years ago, as part of Vision 2000.

The Revision program is a way for the citizens to refocus on goals, and, since so many have been met, to generate some new ones.

After five minutes, Radpour gets around the room, carefully helping craft each person's suggestion; then, she writes it on one of the large pieces of paper taped to the wall.

One Lookout Mountain resident, a man in a blue blazer and red tie, says he wants more of a commitment to historical preservation. Another well-dressed Lookout Mountain

resident, John Parjam, says he wants attention to revitalization of suburban neighborhoods.

Lois Osborne says she wants the greenways plan fully implemented. A casually dressed Paul Hicks says he'd like to see the railroad track near his neighborhood turned into a greenway. Prentice Hicks, who appears to be a disheveled out doorsman says he'd like to see clean industry promoted. Carolyn Westbrook wants to see more downtown revitalization, including cleaning Market Street further south. Dr. Major McCollough, president of the Chattanooga Regional Anthropological Association, says he wants the Moccassin Bend area preserved in its natural state.

Patricia Rogers offers several specific suggestions for the plant life conservancies along the riverfront. She even offers an appropriate Bible quote that draws appreciation from the group.

John Edwards says he'd like to see construction of an amphitheater to tell the story of the area's shared racial history.

On the next go-round, the suggestions get bolder. People are feeding off of one another's ideas. The patient Radpour treats all suggestions, silly or not, with utmost respect.

"Everybody's contribution is valuable," Osborne says later. "If you wanted to suggest 'More mice eating onions,' it would have gone up on the board. No matter what goes up there, we could see it happen."

This time around the ideas are getting better: Open the schools for multi-uses at night, free of charge to community organizations. Place a formal market at the real Ross' Landing. Devise a system to provide more controlled city growth. Establish travel routes that limit noise and chemical pollution in neighborhoods. Develop a local literacy project named for former slave Mary Walker. Expand the convention center to provide more jobs. More public art spaces. Light rail networks. "Connect with Atlanta," someone interjects.

Two hours have sailed past, and there are nearly 30 definite suggestions logged on the walls. The pages will be taken down and back to the Venture offices. In March citizens will attend meetings to review the ideas, clarify and prioritize them.

What goals will emerge? Based on past progress, the process could take 10 years. These things take time, and Chattanoogans have now learned how possible it is for a city to control its own destiny.

"The history of Chattanooga is a few wealthy people who had all the power," Osborne says. "As we've seen around the world lately, humanity is capable of governing itself."•

COMMENDING MR. JASON HESSELL

• Mr. BOND. Mr. President, I rise today to pay tribute to Mr. Jason Hessell of Florissant, MO. He is a member of Boy Scout Troop No. 884 and has attained the prestigious rank and honor of Eagle Scout.

Jason attends Hazelwood Central High School and is active in organized baseball, football, and swimming. While in the Cub Scouts, he earned the ranks of Bobcat, Wolf, Bear, and Webelos. Jason also achieved Cub Scouting's highest award, the Arrow of Light. He graduated from the Cub Scouts on April 14, 1988.

On April 14, 1988, Jason joined the Boy Scouts and earned the ranks of Tenderfoot, Second Class, First Class, Star, Life, and Eagle. In addition, he attained 8 skill awards and 25 merit badges. He has participated in leadership training classes and has received several positions of responsibility and leadership.

Mr. President, I would like to extend my congratulations and best wishes to Mr. Jason Hessell for his service and commitment to the Boy Scouts of America and hopes for continued success in the future.•

NATIONAL LAW ENFORCEMENT TRAINING WEEK

• Mr. ROTH. Mr. President, yesterday I, along with my colleague from Delaware, Senator BIDEN, introduced Senate Joint Resolution 75, a joint resolution to designate January 2, 1994, through January 8, 1994, as "National Law Enforcement Training Week." Senator BIDEN's name was inadvertently omitted as an original cosponsor in the printing of the resolution, and I ask that the name of Senator BIDEN be added as an original cosponsor to Senate Joint Resolution 75.•

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report on House Concurrent Resolution 64, the budget resolution.

The clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 64) setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, March 31, 1993.)

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I am pleased to report that conferees to the fiscal year 1994 concurrent budget resolution have reached an agreement in record time on a landmark deficit cutting and economic growth plan.

Now, this accord answers the challenge laid down by President Clinton to come up with more cuts and more deficit savings. We did so by finding an additional $76 billion in deficit reduction, providing my colleagues in both Houses the opportunity to lock in record spending reductions while also reordering priorities to reflect the cold war's conclusion.

I want to underscore right from the beginning that the compromise represented by the conference report reduces the deficit with fewer taxes, about $22.5 billion less in taxes and more spending cuts than the budget resolution which passed the Senate just a week ago.

Mr. DOMENICI. Mr. President, will the Senator yield for an observation and question about procedure tonight?

Mr. SASSER. I will be pleased to yield.

Mr. DOMENICI. I thank the Senator.

We have a total of four Senators who want to speak, two of them for a very short period of time, the Senator from New Mexico for maybe 10 or 15 minutes, and Senator GRASSLEY, who desires to speak for a very long period of time. I wonder if the Senator might tell us what his plans are with reference to how much time he intends to use for the first-round opening remarks.

Mr. SASSER. I say to my friend from New Mexico I think I would probably use no more than 20 minutes. And then I would be pleased——

Mr. DOMENICI. Does the Senator have others who want to speak on that side?

Mr. SASSER. I think perhaps I do. The Senator from California has expressed an interest in speaking for a short period of time. I see the Senator from Maryland on the floor, and I anticipate that he will probably want to speak. Those are the only two I am aware of at the present time.

Mr. DOMENICI. I would just say to my friend I think we can get our three Senators to speak for a total of 20 minutes before Senator GRASSLEY speaks for 20 minutes. So I will use 10, they will have 5 each, and we will have used 20 on a side.

I thank the Senator so much.

Mr. SASSER. I thank my friend from New Mexico.

Mr. President, unlike past years, the differences between the House and Senate versions of the budget resolution were not that pronounced, especially when one looked at the 5-year projected results of each resolution. In a very important measure, they bore a striking resemblance to each other over 5 years. So all we needed was a bit

of fine tuning to bring the versions of each House's budget resolution into harmony.

Now, the House passed a budget resolution which called for $510 billion in deficit reduction over the next 5 years. The Senate passed a budget resolution that contained $516 billion in deficit reduction over the same 5-year period.

Now, these figures exclude the so-called stimulus package. And the accord that we have come back with, that is, this conference report that is before the body this evening, changes the Senate budget resolution in the following way: It drops or cuts $22.5 billion in taxes that were in the Senate bill when it left here just a week ago. It adds a scaled-back version of the House civil service cost-of-living-adjustment provision which saves $2.7 billion.

Now, this provision affects only Federal retirees under the age of 62. It does not affect those retirees under the age of 62 who were faced with a mandatory retirement age such as policemen, firemen, FAA air controllers.

This conference report cuts discretionary spending by an additional $6.8 billion from the bill that passed the Senate about a week ago.

Mr. President, this conference report before the Senate this evening contains a record $496 billion in savings or deficit reduction from 1994 to 1998. It reduces the deficit by 50 percent or one-half as a percent of gross domestic product from 1993 to 1998.

If we did nothing, if we just put the budget on automatic pilot and did not adopt this conference report, the 1998 deficit would explode to a figure of $450 billion.

Now, let me repeat: This is the largest deficit reduction package proposed by any President and passed by any Congress in the history of this country. This agreement before the Senate this evening is higher than the previous record set of $482 billion in the 1990 budget agreement, and the conference report before us this evening exceeds the President's original deficit reduction proposal by some $76 billion.

Now, with passage of the conference report, the budget resolution calls for $106 billion to be cut from military spending over the next 5 years, $81 billion to be cut from nondefense discretionary cuts; and $91 billion to be cut in so-called entitlement of mandatory programs.

At the same time, the tax writing committees of both Houses will be ordered to produce $273 billion in revenues, and these revenues will be dedicated totally to deficit reduction.

Once again, the vast majority of these new revenues will come from the very wealthiest of Americans among us, those who profited so much from the skewed tax policies of the 1980's.

Let me emphasize a point that I think has been misunderstood, and in some areas distorted repeatedly. There is not a dime of spending in this Clinton plan—not a dime of additional spending—that is not offset by spending cuts. There is not a dime of revenue that is not dedicated to reducing the deficit, to deficit reduction.

Moreover, this is no paper tiger. It is all completely enforced. The orders set out in the budget resolution are enforced by points of order which can only be overcome by a 60-vote supermajority in the Senate. Frankly, I have not seen a point of order overcome in the Senate in the last 3 years, and we checked. I think the period has probably been longer than that.

In addition, any discretionary spending coming from the Appropriations Committee that exceeds $539 billion in 1994, and $540 billion in 1995, could result in a sequester created by the 1990 Budget Enforcement Act.

So for those of us who are truly serious about reducing the deficit, it is clear that spending is coming down under this agreement. The deficit is coming down. The conference report spells out how much, and the reconciliation will show us how we are to do it.

I also want to make it clear that the conferees have been true to the vision and philosophy enunciated in the President's statement of "A Vision of Change for America." None of the initiatives that he described or the priorities that he assigned have been eliminated. All of the President's objectives are fully accommodated. This blueprint is the blueprint of President Clinton, and the structure it follows is one the American people consistently endorse.

It is the conferees' sincere hope that the Appropriations and authorizations committees will soon be able to begin the next crucial step in the process.

The American people want action on the President's economic program. In the spirit of partnership and mutual conference, let us now push that process forward.

Mr. President, all of the debate, all of the rhetoric, all of the multicolored charts, and all of the amendments on the budget resolution are boiling down to one vote and one choice. And the choice my fellow Senators will make on tomorrow is absolutely crucial to the future of our Nation.

There is a temptation for some of our colleagues to curse the darkness and to accept our lot. Yes; we could accept the status quo. We could reject change, and reject a reasonable proposal to break the gridlock which gripped us over the past few years.

Yes; we could accept the deficits that are choking the vigor and life out of our country. Of course, we could do nothing. We could accept economic stagnation, economic decline, more layoffs, and 7-percent unemployment as the realities of life.

Of course, we could say we will do nothing; we are not going to change. We are going to accept, in the longrun, being second best in a global economy. And, of course, we could say that poverty, illness homelessness, neglect, despair, they are just part of living; let us not do anything about them.

Yes; we could accept the misguided economic policies of the past 12 years that have brought us to this point of departure this evening. We could do that simply by doing nothing. But I would suggest to my colleagues on both sides that the American people have made it clear that they are simply not going to tolerate continued inactivity. They especially will not tolerate it now that a President of the United States has given them an alternative to gridlock, a very clear choice that President Clinton has presented to us over the past few weeks.

Our new President has given the Congress and the Nation a bold, fair, credible, well-conceived and well-crafted economic plan, a plan composed of long-term deficit reduction, spending cuts, and investment in our human and capital resources, because the American people have been saying we want to invest in our own country and in our own people once again.

We have a President who is leading the effort to change. He got out in front of the deficit crisis and came up with a program for constructive change. And the President's economic plan is the only logical choice, and the best choice for our country.

Last summer, some of my friends on the other side of the aisle became quite fond of quoting President Harry Truman. I must say that Harry Truman is a great hero of mine. But I do remember years ago as a youngster listening to the enunciations of Harry Truman coming from some quarters when he served as President.

But I think of Harry Truman and I think of President Clinton when I hear these words of President Truman. I quote:

> I do not believe in anti anything. A man has to have a program. You have to be for something. Otherwise, you will never get anywhere.

Well, Harry Truman was just as right about that then as it is correct today. That has been the problem with some of our friends. The President's detractors have been unable to match his far-reaching, comprehensive plan. Instead, some have put their wagons in a circle, and have simply been sniping at him with the same old tired tax-and-spend rhetoric that we have been hearing for decades.

Our friends on the other side have been unable to come up with an alternative where the discretionary totals in their budget were displayed across the functions for all to see, and the mandatory cuts were reconciled and specific policy options are listed to achieve those cuts.

In short, they have not come up with a real budget alternative.

So after weeks of debate, and votes on dozens and dozens and dozens of amendments, it appears that the cupboard is still bare on the other side of the aisle. We are told that they want us to cut discretionary spending, but they do not say where. Instead, they propose freezes, and then troop out here and vote to support the President's proposals in Head Start, in community policing, in childhood immunization, and so on and on forth.

Therefore, any cut in general, but they cannot seem to accept any cut in the specific.

So, in conclusions, Mr. President, we really have no alternative to the President's plan that has been presented to the American people, and which the American people support by an overwhelming margin, if the polls are to be believed. At least no credible alternative has been offered here on the floor of the U.S. Senate.

The plan offered by President Clinton, on the other hand, has been validated by everyone from the Federal Reserve Board Chairman, Alan Greenspan, to our foreign allies around the world. The bond markets voted for the plan with the lowest rate ever for 30-year bonds.

A recent Wall Street Journal-NBC poll shows our fellow citizens preferring the Clinton plan, by a 2-to-1 margin, to a proposal from the minority that would not raise taxes.

So even by a 2-to-1 margin, over 2-to-1, they prefer the Clinton plan—even though it does raise taxes—over the plan from the other side that does not raise taxes. I think that is truly phenomenal, because that indicates that the American people know that the old ways simply do not work, that we have to change, and we have to do things differently.

The President has presented the Congress and the American people with a credible economic plan that contains all of the ingredients for deficit reduction and long-term economic growth. Tomorrow, our colleagues will cast their votes on the conference report, and I hope they will consider one more insight from old give-'em-hell Harry Truman, and this is what he said:

> The people of the country are far ahead of most of the politicans, and they always are. The people are not afraid of new ideas; they want government to go ahead with the measures that are necessary to realize the unlimited opportunities that America offers for increasing the happiness and welfare of the people of this country.

Well, that is what Harry Truman said in the late 1940's, and I think it is true today. The American people and the President know where they are going, that it is in the right director, and I trust that none of us in this Chamber tomorrow morning will be left behind when we cast our vote.

I would be pleased now to yield to the distinguished ranking member for any statement he might wish to make.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I ask my two friends, Senator GRAMM and Senator NICKLES, would 5 minutes each be satisfactory?

Mr. GRAMM. Yes.

Mr. DOMENICI. I will do mine quickly, and then I will yield to Senator GRASSLEY.

Mr. President, first, let me make it clear that there are two very strange things about the budget conference report that is before us. Let me take the most incredible one first. We do not have a budget yet, so, tonight, we are approving a budget resolution for our country, allegedly for 5 years, and we do not have the President's budget. So we do not know, in the numbers we have here and in the President's vision document, we do not even know that the President's budget is going to be the same.

In fact, he can change it just like they changed their mind a couple of nights ago and agreed they were not going to impose user fees on Western America through the reconciliation process. The heat was on and the politics were heavy, and Democratic Senators were telling the President we had better not do that. They were saying: "It is probably going to cost you all of the gains you made in the West." So that changed. I do not know what else will be changed in the budget.

Obviously, the Democratic side of this Senate voted for this resolution with a storm of sense-of-the-Senate resolutions saying we did not really mean it. We really do not mean we are for the Btu energy tax, because we do not want the farmers to get too much of that. Another one says we are going to exempt Northeastern America, because we do not think they ought to be paying that on their heating bills.

The point I am making is that this budget is filled with unspecified, undetermined program changes and cuts and tax increases. And there is a continual carping that the Republicans do not have a budget plan.

The second point I wanted to make is that the Republicans did not attend the conference on the budget. We were invited to an opening session, and we were not invited to anything else. In fact, we are struggling around trying to interpret this document like everybody else in the Senate, because we were not there. Our staff was not there. And, frankly, that is up to the chairman of each side if they want to do business that way.

But our friends on this side of the aisle, the Republicans, ought to know we just were not part of this. We were not invited in or asked about anything. So that should be set straight in the RECORD here.

It is also very interesting to note that—I am going to try to read off one of the Democratic charts here in terms of where all of the cuts came from that are contended. I think they are all unspecified, which is rather interesting also.

While we are looking for that, Mr. President, let me make a point. My distinguished friend, the chairman, made a statement. He said that there has even been a little bit of, perhaps, trying to mislead on our side of the aisle, and then he made a statement that was unequivocal. He said: "I want everybody to know that wherever there is a new spending program, there is a cut to match up against it."

Well, let me just give those who are interest an example of what that would mean. That means that if in fact this budget adds $100 billion in new spending, our chairman assures us that there is $100 billion in cuts. What does that tell the American people? There are no cuts.

If you spend $100 billion in new programs and cut $100 billion, the effect is zero. Essentially that is what we have, a zero cut domestic budget. Frankly, we are using Congressional Budget Office numbers, and I want everybody to know that we are really cutting back the domestic budget of the United States.

Obviously, I am saying that in a tone that clearly I do not want anybody to even believe or think we are cutting under the President's plan any domestic spending, because we are not. Let me make a point. In the U.S. budget, there is defense, foreign affairs, and there is a great big quantity of expenditures that is called domestic spending, including discretionary, that we vote on every year, and mandatory expenditures, like Medicaid and like food stamps, that are automatic. They are two-thirds of the American budget and growing like wildlife, just sweeping across, gobbling up the taxpayers' money and leaving a huge, huge, legacy behind it of debt. This is a true statement.

This little green here on the chart—we wanted green to be cuts because that meant we were on a green light and saving the taxpayers real green, real money. It is $11 billion that is effectively cut out of the entire domestic budget of the United States, save Social Security, which we are not counting at all.

That is why Republicans are saying, you may have a plan, Mr. President, you may have a plan, fellow Democrats, but just to run around and say you have a plan does not mean the plan is fair and does not mean the plan will work. It certainly does not mean that we are going to create jobs, "grow jobs"—that was kind of a neat phrase during the campaign. We are led to believe that a budget—when we are in the worst deficit posture we could ever be in—that cuts all of domestic spending $11 billion, and lo and behold, raises taxes on the American people and user fees, which are taxes imposed on those

who use their Government—I do not know how it can be construed to be a cut. The end product of all of this is that $291 billion in deficit reduction under the plan is taxes and user fees.

We could almost have said: Save all the trouble. Let us whack defense twice as much as President Bush asked for and levy $291 billion of taxes on the American people, and you have a plan.

Is that a very sophisticated plan, an indepth plan? It is a tax plan.

Believe you me, when the American people find out about those taxes between this budget resolution vote tomorrow and 2 months from now when the committees start writing it, they are going to tell you—they are going to tell those tax-writing committees, "We do not believe it." It is the highest marginal rate increases in the history of America, and we were told that it is all on rich people. I am going to tell you, about 70 percent of it is going to be on small businesses.

Do you know what is going to happen to the job growth in America? It is going out the window as the small businessman writes these new giant checks to whom, I say to my friend from Texas?

Mr. GRAMM. To Uncle Sam.

Mr. DOMENICI. He is going to write the check not to buy equipment and to payroll, he is going to write it to Uncle Sam.

Mr. GRAMM. And he is going to spend it.

Mr. DOMENICI. And if Uncle Sam is going to create the jobs, you have a good budget because this budget plans to do it exactly that way. It plans to create jobs by what is called investing the taxpayers' money. And we all understand what that means. That is a new school of thought that says if you tell the American people, the taxpayers, the hardworking people, if you tell them we are going to invest your money, they will let you tax them more.

I am paraphrasing what I think our President believes. I think he believes, and he has proven it right, that if he tells the American people over and over, "I am not spending your tax dollars, I am investing it for you," that they will really believe that and they will say, "Taxes, we want to be taxed so you can spend money, so you can create jobs." That is what this budget is all about.

Anybody that thinks it is specific, just read the document. What it really says, the President of the United States plans to spend just about as much as he is going to cut from all of the domestic programs of America. And if the taxpayers of this country find out that that is all they are getting for $291 billion in new taxes, the tax revolts of the past will pale. They will say, "Where are the cuts?" And the answer—the only honest answer—will be, twofold: We are cutting defense. In fact we are cutting defense twice as much as the previous President thought. Second, we are waiting around to save a whole bunch of money from health reform. The Congressional Budget Office speaking of this budget, this Vision of America, stated, "It makes a contribution to reducing the deficit but not sufficient to solve the long run problem."

So, Mr. President, I want to summarize a couple of numbers. I want to make two summary remarks, and then I will yield.

Let me state for the record and for anybody in this country that thinks Senator DOMENICI must be talking about something that really is not before the Congress because nobody in the country thinks this is the way it is. Let me give you the real totals on what is going to happen to the budget of the United States while we raise taxes $291 billion.

From 1994 until 1998, the domestic budget of the United States will increase. The people have been led to believe it was going to decrease. It will increase, I say to my friend from Oklahoma, $557 billion. Those are not pulled out of the air. Those are in this budget document.

Mr. President, when we say to America, we want everybody to share including the Government, not just the taxpayer, you would think they would have said let us cut $50 billion out of this Federal Government's domestic programs, the myriad of them, some 2,300 of them. If you cut $50 billion, you would at least be saying to the taxpayer we are giving you something on domestic. But, no, that is not what is happening. It is going to go up $577 billion, more than $100 billion a year, I say to my friend from Texas, more than $100 billion a year.

The reason I state that is because I really do not believe the American people, who are saying let us give the President a chance, let us give him his plan, understand that the only real thing that is going to happen is they are going to get taxed. I do not see anybody saying let us tax for 1 year and see if this works. They say, put this tax on; it is a great plan and it reduces the deficit. It is going to reduce the deficit if it works.

And I submit the defense cuts are so big, they are going to put people out in the street in larger numbers than the American economy can create new jobs, and I submit American small business across this land is going to grow less, not more; create fewer, not more, jobs under this enormous, enormous new tax, including a fuel tax that spares no one.

We have poor families that are supposed to be bailed out by an earned income tax credit. I say to both my friends, what happens to a retired person with no children? They are, by definition, not entitled to it. They are not a working family. Even a two-member couple, the elderly with no children, they are not going to get it. But they are going to pay the Btu tax for the energy they use.

Then to add to it all, is the absurdities of all absurdities; we are taxing crude oil twice as much as we are taxing coal per British thermal unit produced, and nobody can understand why. Why oil? We produce it at home. We are putting an import fee on domestic oil favoring coal and saying to the American people, sacrifice.

What happened to the Government sacrificing? We are going to ask the men and women in the military to sacrifice. We are even freezing their pay.

Tomorrow I will try to undo that in this appropriations bill. I do not understand why we are spending $19 billion on a stimulus package, half of which is to stimulate some politicians, and we cannot pay the military, cannot give them a pay raise. And how about the rest of our civilian work force?

Let me tell you what I think. If you want to invest in America, pay your workers. That is an investment. We ought not be throwing money after projects all over this country and saying to the civilian work force of America, you do not get a pay increase. I think we ought to take $3 or $4 billion out of that stimulus package and say, "Let us pay our workers, let us pay our military men and women."

So, Mr. President, I want to summarize and thank my friends on this side of the aisle for all their help. We all understand it on our side very, very well. My friend, DON NICKLES, continues to tell me, make it simple Pete. The truth of the matter is that when Leon Panetta, the new OMB Director, first started talking about the plan he said, "I am very hopeful it will be $2 in cuts for $1 in taxes." He had before that, when he was a House Member, said, "I think a reasonable package for the American taxpayers would be $3 in cuts for $1 in taxes."

Let me tell you, it is not $3 for $1, $3 in cuts for $1 in taxes. It is not $2 in cuts for $1 in taxes; it is the other way around. It is $3.38 in taxes and fees for every $1 in cuts.

Again, some will say, where is your plan? I will tell you. We do not have enough votes around here to even pass a $50 million reduction in this budget. If we ask to cut $50 million out, someone says, you are going to hurt the plan.

Where do you think a plan of the Republicans would have gone? It would have gone to the media to say each specific item we were planning, while this budget does not have very many specifics in it, but it has kind of been sold as a detailed plan.

Having said that, our plan is simple. Look at six or seven of our amendments and they will tell you perfectly well what the Republicans want to do.

We wanted less spending and less taxes. We wanted more cuts and less taxes, dollar for dollar. We offered numerous amendments saying cut $40 million more and relieve our taxes $40 million. We did that three or four different ways. Every time we did it, it was the same kind of thing; be specific, be specific. There is nothing specific about the budget before us.

In fact, it looks to me like the 5-year summary in their own document says that their nondefense savings are all unallocated, which means nonspecific.

And let me also suggest, because we are used to being very honest with each other, the overwhelming percentage of the domestic discretionary cuts are in the 5th year of this plan. Do you know what that means? That means, if you believe we are going to do that, you will believe almost any kind of fairy tale around, because it will not happen.

And last, but not least, I want to say it the way I feel. I think this budget represents a lost opportunity. I believe there was a one-in-a-million chance to get the deficit under control, and it is gone. Because, unless you get the mandatory expenditures under control, you are going to only tax and tax and tax. And, as the Congressional Budget Office says, you will not affect the long-term deficit.

The only way that we could have gotten a real budget is if we put those kinds of things in, and the Senate turned that down. We had 48 votes to get a real budget in terms of mandatory expenditures. And we were told then, that will destroy the President's plan.

Frankly, we thought it helped the plan. We thought some people might say, "Well maybe we ought to pay a few tax dollars." I do not know if they would ever agree to this large amount. "But let us pay some, if you really had some cuts in the budget."

So listen carefully when it is said there are a lot of cuts here, because they are all defense cuts. And listen carefully when it is said, "Where are the specifics?", and ask, "Where are theirs?"

So, my bottom line for the American people, and for those who are concerned, is we do not believe this budget plan is going to create jobs, produce growth, get America going again. We think the exact opposite.

And if we think that and did not come down here and offer amendment after amendment, we would be negligent in our duty.

I hope our people understand that there are, without any question, across this land among experts who look at this, there are far more who are saying this is a real gamble than those who are saying it is really going to produce growth, prosperity, and new jobs.

So for those who want a plan and insist that we adopt it because it is a plan, I submit that there have been a lot of plans in history. Some of them have worked and some have not. And probably, when they were adopted, somebody was screaming and hollering, "Adopt the plan. Our leader has a plan."

But then what happened if it did not work? People said, "It wasn't much of a plan, was it?"

I yield to the distinguished Republican leader.

REPUBLICANS SEEK ECONOMIC GROWTH, DEFICIT REDUCTION BY RESTRAINING GOVERNMENT, NOT PEOPLE—A DIFFERENT VISION OF CHANGE FOR AMERICA

Mr. DOLE. Mr. President, since the beginning of the Clinton administration, the American people have witnessed two very different visions for America—the Democrats vision of higher taxes, more spending, and more Government mandates, and the Republican vision of sustained economic growth, less Government spending and fewer heavyhanded Washington mandates.

No single debate has revealed the stark contrast between these two visions more clearly than the debate over President Clinton's budget plan.

Make no mistake. Republicans want to work with the President to keep the economy moving, create millions of good, high-wage, private sector jobs that will last. We want to help the President attack the deficit with real, enforceable controls on Government spending. But, I am afraid that the Democratic majority is on the verge of making a terrible mistake by enthusiastically supporting this tax-heavy budget plan.

THE FIRST STEP IN THE PROCESS

The budget resolution is only the first step in the congressional budget process. It does not have the force of law, but it does pave the way for tax and spending bills later in the year. The distinguished chairman of the Appropriations Committee has explained how this resolution will affect discretionary spending. But, since the President's economic plan relies primarily on tax increases to reduce the deficit, the fate of the plan will be, in large part, determined by the Senate Finance Committee.

In the Finance Committee, we will be shooting with real bullets. No sense-of-the-Senate resolution can change the fact that we are being told to produce 81 percent of the deficit reduction in this entire plan. Even for the Democrats on the Finance Committee who will vote today in favor of the President's plan, raising taxes by $273 billion and cutting mandatory spending by $35 billion will be difficult. With an 11-to-9 vote margin in the Finance Committee, President Clinton, the Democratic leadership, and Chairman MOYNIHAN will have their hands full trying to push the President's economic plan and its big new taxes through committee intact. There may be a number of opportunities for bipartisan efforts to remove some of the worst features of the President's plan. The Social Security tax increase and the so-called Btu tax immediately come to mind.

A VICTORY FOR THE PRESIDENT

Passage of this budget resolution is a victory for President Clinton and a victory for the Democratic leadership in Congress—but, it is a big loss for the honest, hard-working men and women of America. I predict that many of my Democratic colleagues in the Senate who decide to fall in lock-step behind the President and celebrate today's political victory will regret that decision 2 years from now.

THE INFORMATION GAP

Mr. President, most Americans want an end to gridlock in Washington. As the distinguished majority leader has stated time and time again, they want us to give the President a chance. But, most Americans do not know what is in this plan, and very few of them understand that this economic blueprint is very different from anything they heard during the campaign last fall. The reason is simple: The details—the legally required details—have not been made public.

There are a lot of questions that remain unanswered, but we do know this—by adopting this resolution we are clearing the way for the largest tax increase in history—$273 billion over 5 years. We are clearing the way for $115 billion in new domestic spending—that is an increase above inflation.

Most Americans want the President to succeed. The latest polling information suggests that the American people support the President's good-sounding rhetoric by a margin of almost 2-to-1. President Clinton has been successful in controlling the information the American people are getting about his plan, but he is not going to be able to sustain the information blackout for long.

Once the facts are out and the American people learn what is in the Clinton plan, I think a lot of those who are now giving the President the benefit of the doubt will change their minds about his economic plan.

WHAT AMERICANS WANT

One recent poll showed that to reduce the deficit, the American people choose spending cuts over tax increases by a ratio of 14-to-1. Republicans agree.

We understand that there are a lot of Americans who may be willing to bite the bullet and pay more taxes in order to reduce the deficit. But, when they learn that 77 percent of the deficit reduction in the President's plan comes from tax and fee increases—including a big chunk from the pockets of honest, hard-working, middle-class Americans, a lot of them are going to change their minds.

REPUBLICAN PRIORITIES

Republicans want to keep the economy moving. Republicans will oppose

policies that could stall the recovery that is under way. We want to create millions of good, new jobs that will last. We want to help businesses create jobs in the private sector by encouraging more saving and investment.

Republicans want to cut spending first. We are serious about reducing the deficit, and we want President Clinton to back up his tough talk about fiscal discipline with real cuts in government spending. During this debate, Republicans in both the House and the Senate have demonstrated with our votes and our amendments, that we are willing to back up our tough talk on the deficit with tough choices.

Before the President and the Democrats in Congress force the farmer, the shopkeeper, the nurse, the truck driver, and the senior citizen to reach into their pockets and make a contribution to deficit reduction—before the American people are asked to send more of their hard-earned money to Washington—Republicans want to make sure that every Government program takes the hit it deserves.

THE DEMOCRATS' PRIORITIES

Mr. President, we have heard the debate. I would just remind you of the highlights of the President's plan, as modified by the Democrats in Congress. According to the independent Congressional Budget Office—President Clinton's official budget scorekeeper, 77 percent of the deficit reduction in their plan comes from higher taxes and user fees—$273 billion in net new taxes and $18 billion in higher user fees.

During the 1992 Presidential campaign, candidate Clinton promised $3 of spending cuts for every $1 of tax increases. The bipartisan National Governors Association recommended $2.75 in spending cuts for every $1 of tax increases. President Clinton and the Democrat leadership in Congress are now endorsing a plan that asks the American people to contribute $3.38 in higher taxes and fees for every $1 of spending cuts.

GUTTING DEFENSE

Events in Russia over the past 2 weeks remind us that the world is still a dangerous and uncertain place. Yet, the Democrats under the leadership of President Clinton want to gut defense with $75 billion in additional cuts. That is $75 billion above and beyond the cuts approved by President Bush and Congress last year.

GROWNG GOVERNMENT

Only 3 percent of the savings in the Democrats' deficit reduction plan comes from nondefense programs. The Democrats are asking two-thirds of the Government to contribute a grand total of $11 billion over 5 years to reduce the deficit. Earlier today, Senate Democrats were arguing in favor of a spending stimulus that would increase the deficit by almost twice that amount for President Clinton's spending stimulus package.

The fact is that the Democrats' economic plan is not a plan to reduce the deficit. It is not a plan to control spending, and, it is not a plan to keep the economy moving. It is a plan to raise taxes to finance more Government spending—plain and simple.

WHAT ABOUT JOBS?

Higher taxes do not create jobs. They never have, and they never will. Higher taxes will destroy jobs.

A recent study by the National Center for Policy Analysis projects that the tax increases in the Clinton plan would substantially reduce investment in the U.S. economy. The study suggests that if the Clinton plan is adopted, long-run economic growth rates will drop 0.4 percentage points and national output will be $260.6 billion lower over 5 years than they would be if we reject the Presidents's plan. The study suggests that if the Clinton plan were adopted, the U.S. economy would create 1.4 million fewer jobs over the next 5 years than if we simply rejected the plan.

Federal Reserve Chairman Alan Greenspan testified last week—"It is important to recognize that trying to wholly, or substantially, address a structural budget deficit by increasing revenues * * * is more likely to fail than to succeed." I agree with Chairman Greenspan. Unfortunately, it appears that President Clinton and those who support his plan do not.

Mr. President, the financial markets are beginning to grasp the full meaning of the Clinton economic plan and the impact that a record $273 billion tax hike could have on the U.S. economy. Earlier this week the conference board's index of consumer confidence dropped for the third straight month. Lower consumer confidence and lower-than-expected increases in the Commerce Department's leading economic indicators add to indications that the economy's progress this year may fall below the brisk pace set in the final quarter of 1992. A number of economists point to worries about a tax hike as a major factor contributing to the slowdown.

The March blue chip survey of 50 private economic forecasters shows that the consensus forecast of real GDP growth in 1994 fell two-tenths of a percentage point. The panel members cited "the potentially negative effects on the pace of economic growth stemming from the Clinton administration's plan"—as a reason for their lower growth projections.

Mr. President, here is the bottom line. Higher taxes mean that businesses and consumers will have less money to spend. It also means that most of those companies that made the tough decisions—to cut their debt load and streamline—in order to increase their competitive position and are now poised for expansion, will either reduce or delay decisions to hire new employees if they see higher tax bills on the horizon.

A CLOSED-DOOR, PARTISAN PROCESS

The President's economic plan was developed behind closed doors. There has been no real consultation, no real opportunity for Republican input. In fact, we are being forced to vote on this budget blueprint before we get a chance to see the legally required details.

When we criticized the President's plan because it relies too heavily on tax increases, we were told to put up or shut up with specifics. Well, we met the President's challenge—we offered a better way to cut the deficit through spending restraint, not big tax increases.

THE SENATE REPUBLICAN ALTERNATIVE

Last week, 33 Republicans and the distinguished junior Senator from Alabama, Senator SHELBY joined me in introducing a comprehensive alternative to the President's tax-and-spend plan. The differences between our bipartisan proposal and the Democrat leadership's tax-and-spend plan could not be more clear. It was a choice between record-breaking tax increases and record-breaking spending cuts.

Our alternative highlights the fundamental difference Republicans have with President Clinton's economic program. We prefer to reduce the deficit by asking Big Government, not the American people, to sacrifice. Our plan includes $406 billion of tough, real, spending cuts. When you include interest savings, our plan would reduce the deficit by $460 billion over 5 years.

Our amendment would have eliminated all of the President's spending increases. We would require that any future spending increases be paid for each year with additional spending cuts.

Our amendment would have eliminated the President's entire record tax increase—all the tax increases and all of the tax cuts. We eliminated all of his proposed user fees.

Our amendment included all of President Clinton's proposed mandatory and discretionary spending cuts except that we reduced his proposed defense cut by $20 billion to defense over 5 years to allow for a more orderly builddown. Even with this change, our plan would have cut defense by $129 billion below current levels over 5 years.

We added a nondefense discretionary spending freeze that provided for a $500 million increase—an investment as the President likes to call it—next year for childhood immunization and the Women, Infants, and Children [WIC] Nutrition Program.

And, we added a cap on Medicare and Medicaid spending that would allow spending for these programs to increase for population, plus inflation, plus an additional 4 percent each year for 4 years, and population, plus inflation plus an additional 2 percent in the

5th year. Taken together, the cap would allow spending for these programs to grow by roughly 12 percent per year for the first 4 years, and 10 percent in year 5.

REAL DEFICIT REDUCTION

The most recent Congressional Budget Office analysis of the President's plan concludes, and I quote: "The proposals outlined in 'A Vision of Change for America' * * * are not sufficient to solve the long-run deficit problem." Both CBO and the administration estimate that, under the President's policies, the deficit would decline only through 1997 and then resume its rise. By the administration's own projections, the deficit would reach about $400 billion, or 4 percent of GDP, by 2003 the President's plan as modified by congressional Democrats has the same fatal flaw. CBO estimates that the Democrats' budget plan would reduce the deficit to $201.9 billion by 1998, but deficits would rise in future years. By contrast, our plan would have cut the 1998 deficit to $168.4 billion in 1998, and because our plan contains the tough medicine needed to control Federal spending, the deficit would continue moving toward balance in future years if our plan were adopted.

Unfortunately, those Americans who want us to make the tough choices needed to get the deficit under control lost when 55 Senate Democrats joined hands to defeat our amendment.

CONCLUSION

Mr. President, let the record show that when you take away all the slick packaging, when you forget all the talk about new Democrats and putting people first, you see two very different visions for America.

The American people know that there is more than one way to reduce the deficit. Republicans gave the Senate a clear choice—spending restraint versus record tax increases. It is regrettable that the Democrat leadership has decided to ignore the urgent appeals of the American people for real changes and real government sacrifice, and instead offered them a warmed-over plate of tax-and-spend and business-as-usual.

Republicans stand ready to help the President and the Democrat leadership hear the message from the voters, and offer the kind of real change that will help restore their faith in Government.

Mr. DOMENICI. I now yield 5 minutes to my friend from Oklahoma, and I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, one, I wish to compliment our friend and colleague, Senator DOMENICI, for his leadership and also for his floor statement, not just today but over the last couple of weeks. I think he has really proven to be an outstanding leader.

I would like to comment on some of the things he said. I would also like to have printed in the RECORD some facts. This is strictly the facts, nothing else.

One, I look at the budget resolution that we have before us and it says, well, this is going to reduce the deficit by $496 billion. That is not the case, if you follow CBO. CBO says it is $440 billion. CBO says they do not use present law baseline. That is $44 billion of manufactured savings.

And I will tell my colleagues that when we hear honesty in budgeting and when you see that they use an inflated baseline—and that is kind of complicated for most people to understand—basically, what they are doing, they are marking up the baseline and then taking greater credit for savings. That is $44 billion.

And then I will tell my colleagues, as well, that they did not count the stimulus package. "Oh, yeah, well, we are budgeting," but it so happens the so-called stimulus package that we have on the floor of the Senate, that we have been debating for the last few days, we do not count that because we count it as an emergency. Therefore, it does not apply to the budget deficit.

So the fact that we are going to spend $19.5 billion, and it is going to be added to the deficit, that is not even calculated in this package.

And so, Mr. President, I am going to put a couple of tables in the RECORD, because I want people to see the difference between the majority budget that says $496 billion, I want them to see that it is actually $440 billion.

I ask unanimous consent that these two tables be printed in the RECORD.

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

DIFFERENCES IN CLASSIFICATION OF DEFICIT REDUCTION

[5-year totals, billions of dollars]

	Defense	Domestic	Fees	Spending	Interest	Revenues	Total
Majority numbers	−106	−117		−223		−273	−496
Baseline differences	30	7		37	7		44
Reclassification of fees		18	−18				
Reclassification of interest		70		70	−70		
Add stimulus		12		12			12
Minority numbers	−75	−11	−18	−104	−63	−273	−440

Note.—Revenue increase shown as negative because it reduces deficit.

Prepared by SBC Minority Staff, Mar. 31, 1993.

$3.38 in Taxes for every $1.00 in spending cuts[1]

President's plan—conference modified:

	1994–1998
Net new taxes	273
User fees	18
Net new taxes and fees	291
Net nondefense spending cuts	11
Defense spending cuts	75
Net spending cuts	86
Total new taxes and spending cuts	377
Debt service savings	63
Total deficit reduction	440

[1] = $291 billion net new taxes and fees/$86 billion net spending cuts equals $3.38. Details may not add due to rounding.

Mr. NICKLES. I hope that people understand something. Senator DOMENICI said that there is $3.38 in taxes for every dollar of spending cuts. He is exactly right. Those are the facts.

I have put that in the RECORD, so our colleagues and the American people—and I hope some people are listening, because they need to find out what the facts in this budget agreement are. This shows net new taxes, $273 billion. This is between 1994 through 1998, $273 billion of reconciliation to the Finance Committee: Go out and raise those taxes.

And then there are user fees, $18 billion of user fees.

Now, it is interesting, they did not reconcile that. They told the Energy Committee they did not have to do it, but it is still in the budget resolution. That is $18 billion.

So they have total new taxes and fees of $921 billion.

Well, what did they do on spending cuts? That is the taxes; almost $300 billion in new taxes and fees. Well, where are the spending cuts?

Well, if you look at all the nondefense spending cuts, you will find out, over the next 5 years, there is a grand total of $11 billion—$11 billion. In defense, there is $75 billion. And so if you add the two together, that would be total spending cuts between 1994 and 1998 of $86 billion, almost all of which is in defense.

If you divide the tax increases by the spending cuts, you will find that there is $3.38 in tax increases for every dollar of spending cuts.

Again, keep in mind, we are assuming that the so-called stimulus package that we are spending this year does not even belong in the budget, and we are just adding to the deficit. But even

given that, there are $3.38 in tax increases for every single dollar of spending cuts.

And, as the Senator from New Mexico said so well, the spending cuts are out in the fourth and fifth year. They will not happen. Frankly, the defense cuts that are called for in this budget are too radical and I do not think the Senator from Georgia [Mr. NUNN] and other Senators are going to allow that to happen. We should not let it happen.

It is interesting to note that the 1990 budget package had most of its spending cuts stacked in the outyears, the fourth and fifth year, and we did not observe those.

As a matter of fact, the stimulus package right now that says we are going to spend money in 1993 and 1994, that is in the third and fourth year of the 1990 budget package.

In other words, we broke the 1990 deal, and we will break this deal. In other words, the spending cuts will not happen, but the tax increases will happen. And the tax increases are retroactive back to January 1, 1993.

This package, which is weighed so heavily towards taxes, is going to suffocate this economy. It is going to put hundreds of thousands of people out of work in the energy industry, in the aviation industry, farmers and ranchers. It is going to cost corn growers in Iowa and wheat farmers in Oklahoma thousands of dollars.

Mr. President, I ask unanimous consent the Senator yield me an additional 2 minutes.

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

Mr. NICKLES. It is going to cost hundreds of thousands of jobs to pay for this tax, we are going to be putting such a heavy tax load on. This is not the largest deficit reduction package but it is the largest tax increase in history and it will suffocate the economy. The net result will be hundreds of thousands of people out of work. So we are, evidently, going to have to create one heck of a stimulus package to put these people to work. Frankly, Mr. President, we cannot afford it. We cannot afford the stimulus package that is up here that is not a stimulus package, it is a deficit package. Let us have a little truth in labeling. All the so-called stimulus package does is increase the deficit. It is not new investment. All it does is take existing programs and spends more money; and all this deficit does is say let us go out and raise taxes on the American people, an additional $291 billion, so Members of this body, and the other body, and down at the White House, they can have more money to spend.

That is not a recipe for a fiscal cure. That is a recipe for disaster. That is a recipe for unemployment. And this body should not pass this package.

I thank my friend and colleague from New Mexico.

Mr. DOMENICI. Mr. President, I yield 5 minutes to the Senator from Texas [Mr. GRAMM].

The PRESIDING OFFICER (Mrs. FEINSTEIN). The Senator from Texas is recognized for 5 minutes.

Mr. GRAMM. Madam President, often in politics there is a big gap between our rhetoric and the reality of what we are doing and what we are proposing. But I want to assert tonight that in American history there has never been a bigger gap between the rhetoric of a budget proposal and the reality. In the campaign, Bill Clinton said, "I am going to reinvent American Government. I am going to eliminate programs. I am going to cut spending $3 for every $1 of new taxes that I am going to impose on those rich people."

Then in the confirmation process before the Senate, Senator Bentsen and Congressman Panetta, his chief financial officers, said, "We will get $2 of spending cuts for every dollar of taxes." And then in that great State of the Union Address which I could have given, 90 percent of anyway, and during which I stood and applauded 14 times, he said, "One dollar of spending cuts for every dollar of taxes." That is the rhetoric of this budget. But the reality of this budget is $3.38 of taxes for every $1 of spending cuts.

You all remember in the campaign what the President said when he was asked in the first debate, "Who are you going to tax?" He said, "If your family does not make over $200,000 a year you have nothing to fear."

In fact, he said, for those families that make $80,000 or $60,000 a year, they "will have a choice between a child's tax credit or a significant reduction in their income tax rate."

I ask middle-income working Americans tonight, which one are you going to choose? Let me tell you what you are going to choose from. In this budget, we are going to raise taxes on every working family in America. The President said energy taxes are a throwaway; $10 a month, $120 a year. His own figures show that is the direct cost. Gasoline prices up probably 10 cents a gallon, utility bills up, but the price of everything we buy from groceries to airline tickets, according to the President's own budget estimates, will go up another $200. So, not $120 a year but $320 a year on energy taxes; and outside groups say $500 a year.

Madam President, the rich people taxed by this budget are making $25,000 a year, earning Social Security. We are going to raise their taxes. And the really rich people we are going to tax turn out to be not people at all but proprietorships, partnerships and subchapter S corporations. These small businesses and family farms that will pay about 70 cents out of every dollar of these taxes.

So the rhetoric was we are going to cut more than we tax. The rhetoric was we are going to tax only rich people. But the reality is we are taxing everybody and we are cutting almost nothing. If you want to see it all boiled down to the simplest chart of the debate, look at the volume of these three words and they are in proportion to the Clinton budget: taxes, spending, and cuts.

Basically, the problem with this budget is you cannot tax your way to prosperity and jobs, you cannot spend your way to deficit reduction, and when the American people discover the real truth about this budget, they are going to feel betrayed. They are going to feel that they have not been leveled with, that this is not what they were promised in the campaign.

I know our colleagues on the Democratic side of the aisle did not like the Reagan program and do not like it now. But in 1980, Ronald Reagan told everybody in America if you elect me I will cut spending, I will raise defense, and I will cut taxes. So you may have been for him, you may not have been for him, but nobody was surprised. The problem is nobody promised us this budget in the campaign.

Had the President stood up in the debates and told the American people what his budget would actually do, he would not have been elected. So when the American people find out, when they finally cut through all this rhetoric and they find out that domestic spending not only is not cut in this budget but it grows over the 5-year period that this budget covers by $557 billion of new spending while people are paying new taxes on Social Security, on energy, on the income of small businesses and family farms, people are going to believe that we did not level with them. And they are going to be very unhappy about it. And I suspect they are going to remember this rollcall vote.

When we vote "yea" or "nay" tomorrow, I want to be certain that my name is recorded in the column as voting "nay." I am not for this budget and I do not believe this budget is going to work. I believe that this budget is going to cost America jobs, and I believe this budget is going to drive up the deficit.

I would like to do something tonight that I do not often do. I want to talk about what things are going to be like 4 years from now.

Four years from now, we are going to have cut defense so much that defense cannot be cut any more. And we are going to have spent every penny of it. We are going to have marginal tax rates that are over 41 percent and we are going to have spent every penny of it. And we are going to have a deficit of about $400 billion and the economy is going to be on its back. And the American people are going to ask, how did that happen?

I would like to say, Madam President, it happened because of what we

are going to do when we cast our vote to support the Clinton budget. This budget cannot and will not work. This budget cannot and will not produce prosperity, because this budget is not an economic plan at all. This is a political plan. The plan here is to grow government, not grow America. The plan here is to raise taxes and cut defense, to increase domestic spending to create new political constituencies.

If this plan works, everything that happened in Eastern Europe and is happening around the world is wrong. If this plan works, we know that we should go back and say to the people in Cuba, and North Korea, and China: Hold on, you are right. Government works. Expanding the economy through economic freedom and letting people keep more of what they earn does not work.

I do not think we are going to be spreading that message. In fact, I think we are going to prove once again that tax and spend for more government will fail. And the tragedy is we are voting for a program that the voter never approved. No candidate for President—Republican, Democrat, or Independent—ever ran for President, in 1992, anyway, on this platform. And that is what to me is most distressing. If the American people had voted for this, you could say: They want it, they ought to have it. And while I do not believe it is the right thing, at least people voted for it. But they did not vote for it. They voted for a promised program that was exactly the opposite of the program that we are going to be voting on and that is why I am going to vote "no."

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I wonder if Senator GRAMM will respond to a question before he sits down.

Mr. GRAMM. I will be happy to respond.

Mr. DOMENICI. And then I see Senator GORTON. How much time would he like?

Mr. GORTON. Three minutes is plenty.

Mr. DOMENICI. I will try to do that. Is my colleague aware when we adopt this plan and implement these taxes—not we, I should say when they do—we will have marginal rates that are about the same as England's?

Mr. GRAMM. I am aware of that and I am frightened about it.

Mr. DOMENICI. Are the marginal tax rates and the heights that they have reached in England heralded by anyone the Senator knows of as the epitome of what will cause a vibrant, growing, investing economy? Have you ever heard any economist say that is the way to do it?

Mr. GRAMM. In fact everybody who has looked at the British experience says it is a blueprint for disaster that other countries with enlightened governments should not replicate.

Mr. DOMENICI. I yield 5 minutes to Senator GORTON.

The PRESIDING OFFICER. The Senator from Washington is recognized for 5 minutes.

Mr. SARBANES. Madam President, parliamentary inquiry. Can I inquire what the time situation is?

The PRESIDING OFFICER. The Senator from Tennessee controls approximately 2 hours and 40 minutes, and the Senator from New Mexico controls approximately 2 hours and 21 minutes.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized. Does the Senator yield?

Mr. SARBANES. A further parliamentary inquiry. Is the 2 hours and 21 minutes before the 5 minutes that has just been yield?

The PRESIDING OFFICER. That is correct.

Mr. SARBANES. So at the end of that, it will be 2 hours and 16 minutes for the Senator from New Mexico, and 2 hours and 40 minutes for the Senator from Tennessee?

The PRESIDING OFFICER. That is correct.

Mr. SARBANES. I assume at that point the opportunity is going to come back to this side of the aisle. Would that be correct?

Mr. SASSER. It is my understanding the Senator from New Mexico wished to speak himself, and then recognize two Members on his side. In all fairness, I think it ought to swing back now.

Mr. SARBANES. I will wait on the Senator from Washington, but I certainly think it ought to swing back after he completes his statement.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, let me say we have no intention on monopolizing the time.

Mr. SARBANES. I was not suggesting the Senator did. I realize these things sort of gain a momentum of their own. Some of us have been waiting quite a while, as well.

Mr. DOMENICI. Madam President, might I indicate for the RECORD that I am in charge of the time by designation of the Republican leader. I have the privilege of controlling that. I want to indicate that Senator GRASSLEY is going to control the remainder of the Republican time on our side. I know of only one other Senator who desires to speak along with my friend Senator GRASSLEY, and that is Senator BROWN. Obviously, I am sure we are going to be cooperating, letting the Senator from Maryland speak, too.

I thank the chairman for his kindness throughout all this debate, and for the good work he does. I compliment him. I am hopeful some day while we are still in this position, we will find a reason to be on the same side.

Mr. SASSER. I hope so. May I inquire of my friend from New Mexico, or inquire of the distinguished Senator from Iowa, how long does he contemplate speaking this evening?

Mr. GRASSLEY. In my particular case—I do not know about Senator BROWN—but in my particular case, probably not more than 30 minutes.

Mr. SASSER. I thank the Senator.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized for 5 minutes.

Mr. GORTON. Madam President, I wish to thank my friend from New Mexico for his courtesies, and I wish to commend him for the clarity of his exposition of the shortcomings of this budget. I suppose one could look on the bright side. It is barely a week ago that Members on this side were told that this budget could not be changed by $1 million, by $10 million. The $295 billion in new taxes was absolutely essential for the salvation of the Republic.

And now we have a budget resolution back which has a mere $273 billion in new taxes, almost a 10 percent improvement over what we were told was inflexible and unchangeable just a week ago. But 10 percent less of an outrageous and unnecessary tax increase does not make that tax increase reasonable. Ten percent less in the increase in burdens on Americans across income scales, and most particularly on those Americans whom we are asking to create new jobs and new economic opportunity during the balance of the 1990's, will not result in the creation of those opportunities.

This budget, as was so well pointed out by the Senator from Texas, is primarily a new tax budget. It is secondarily a new spending budget. In tiny print, it promises sometime in the far off future by and by a tiny decrease in the budget deficit, a time so far in advance that, Madam President, all experience tells us that it will never come.

In fact, all of the net decreases in domestic spending in this budget resolution are consumed by the so-called stimulus, or perhaps it would be more accurately described as pork package, which this Senate has been debating since last Thursday, a graphic illustration of the fact that it is easy to talk about fiscal responsibility 3 or 4 or 5 years from now, but far easier to talk about new spending programs at the present time.

This budget resolution will not meet the promises of the President of the United States. Those promises were to create economic opportunity and to lower budget deficits. Those promises the American people have signed up to support. But when the American people are given the details of this budget, they disagree with every single ele-

ment in it. And they know why they disagree with those elements. They know that this budget resolution will not lead us to prosperity, will not lead us to anything other than a more intrusive Government in the lives of all of us and of all of them.

The President has had the right goals. The President has rhetoric which resonates across the American landscape. The President and this conference committee have presented us with a program that does not meet the rhetoric, and the greatest single favor we can do for the President of the United States is to reject this budget, to send him back to the drawing boards and to ask him to come up with a budget which does not increase tax burdens on the American people, which decreases the rapid increase in domestic spending as sharply as it does spending on defense, and which truly gives us the promise of lower and eventually disappearing budget deficits.

This budget resolution does not do that. This budget resolution should be defeated.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

UNANIMOUS-CONSENT AGREEMENT

Mr. SASSER. Madam President, I ask unanimous consent that at the conclusion of the remarks of the Senator from Maryland [Mr. SARBANES], the Senator from Colorado [Mr. BROWN], and the Senator from Iowa [Mr. GRASSLEY] that the Senate stand in recess under the previous order.

The PRESIDING OFFICER. Without objection, it so ordered.

Mr. SASSER. Madam President, I yield such time to the distinguished Senator from Maryland as he may consume.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. I thank the Chair.

Madam President, I want to first commend the very able Senator from Tennessee, the chairman of the Budget Committee, for the extraordinarily fine job which he has done in managing this budget resolution in the committee, on the floor of the Senate, in the conference, and now, once again, back on the floor of the Senate.

I am frank to say I do not know that I have seen as skillful and as dedicated an effort in the time that I have been in the Senate, and I really want to extend my profound respects for the chairman of the committee for the very fine work which he has done.

Mr. SASSER. Madam President, I would like to express my thanks to the distinguished Senator from Maryland for his very kind words. I also want to say that without his cooperation and leadership, which was displayed both in the Budget Committee and on the floor of the Senate, I doubt very seriously if this budget resolution and budget conference report, which has such a significant amount of deficit reduction in it, would have come to fruition.

Mr. SARBANES. Madam President, the chairman is very kind. I appreciate his remarks.

I want to just for a moment talk about what President Clinton faced, or what he found when he came into office on the 20th of January, just over 2 months ago, about 2 months and a week ago.

It is very important to understand it because you have to appreciate the situation with which he was confronted to understand in part what the President has been trying to do, and which is reflected in this budget resolution.

The first thing the President confronted when he came in, as he looked back over our recent economic past, was this performance on budget deficits.

Madam President, this is 1945 back here—in other words, the end of the Second World War—and as one can see we were running some budget deficits at that time. And then we really ran at a pretty good performance here until we got into the 1970's when they started going up. But then look what happened beginning in 1981. They literally soared. Then they came back down again. And then this is President Bush's term and these budget deficits went up and up and up.

So President Clinton came in, and he looked around and the first thing he saw were these huge budget deficits that had been run in the 1980's.

Well, people say the Congress is responsible along with the President. It is important, to note this point. The budgets passed by the Congress during this period were smaller than the budgets submitted by the Presidents. In other words, during the Reagan-Bush years, the Congress actually passed spending measures below the spending measures submitted by the Presidents. It is very important to understand this.

Now, we changed the nature of the spending. That was part of the debate. We shifted the priorities. But in terms of the total amount, we lowered—"we" being the Congress—the spending figures below—below—what the Presidents had proposed in this time period.

Now, the consequence of running these large deficits, which President Clinton looked back on and could see, was an explosion in the Federal debt. In other words, you run a budget deficit this year, you add to the debt. You run it the next year, you add further to the debt.

This was the Federal debt in 1980. And you then can begin to see what happened to this Federal debt as it climbed and climbed and climbed and climbed and climbed. This is what President Clinton faced when he came in. So he is facing these large budget deficits which have resulted in this explosion in Federal debt, and the consequence of this buildup in the Federal debt is that we get an increase in the interest charge on the Federal debt.

Now, I want to underscore, this is what President Clinton was confronted with when he came in. Look at what has been happening to the interest charges during this period of time, going from about just over $50 billion to about $200 billion a year—a year.

Now, just imagine at the beginning of the Reagan-Bush years—that is when we had a national debt at this level—we were paying about $50 billion in interest on that debt. That debt rose throughout this period, so that now we are paying about $200 billion a year interest charge on this increase in the debt.

Obviously, what happened in the 1980's was President Reagan and President Bush pursued a borrow and spend policy—borrow and spend, borrow and spend. Well, the other side says spend. What did they spend it on? They spent it on huge increases in defense.

There is a tendency on the other side of the aisle to treat defense as though it is not spending. The only thing that is spending is domestic programs that we spend on our people here at home. They regard that as spending and get very upset about it. But they tend, most of them—not all but most of them—to treat defense as not being spending.

But we had this borrow and spend approach, and the debt went up, the interest charge went up, so President Clinton faces a budget deficit problem which he needs to address. The budget deficit has resulted in a large increase in the national debt, and the large increase in the national debt results in significant interest charges on the debt which we have to pay each year. We have to, in effect, find over $200 billion each year now just at the beginning of the year simply to pay the interest on the debt right from the outset. It is a big indigestible lump that appears in the budget.

The next point, though, is this is not the only deficit President Clinton found when he came into office as a consequence of the policies of the previous decade. He also found an investment deficit. Now, this is a very important point because, if we do not invest in our economy for the future to build its strength and viability, we are not going to be a more productive and competitive Nation. We now are in a global economy, and our competitors from abroad are all making these investments.

This chart shows real net investment in this country since the end of World War II.

Mr. SASSER. When the Senator, if I may just inquire, says investment, what does the Senator mean by investment?

Mr. SARBANES. I am going to show two charts. This is in the private sec-

tor, and then I am going to show a public sector chart, because you make investments in both places. The private sector invests in plant and equipment in order to have a modern industrial establishment, and the public sector, of course, invests in infrastructure, the transportation network, the communications network, in research and development, in education and training.

Now, what happened in this country—and you can trace it. This is 1980—we began to get a real drop in net investment as a percent of our national product. In other words, there is an investment deficiency in historical terms compared with what we had been doing. This is the average from 1946 to 1990—this line here. And as you can see, we have been below that line now, except for this just brief touch there, throughout the 1980's and through the Bush administration. So we are not investing anywhere near the same amount that we were investing earlier, in the 1950's, the 1960's, and even into the 1970's.

Someone may say, well, we may not be doing as well as we were doing historically in the United States, but we are still doing better than other countries.

We are ahead of what other countries? I wish that were true. The fact of the matter is, when you compare fixed investment as a share of percentage of the gross product, this is the United States. We actually are the lowest of the 10 largest economies. This is Japan, Spain, Australia, Germany, The Netherlands, France, Italy, Canada, the United Kingdom, and this is the United States.

The President looked at this and he said, we have an investment deficit. In fact, just to take one specific area in order to underscore this point, this compares nondefense research and development, which is very important. You are talking about research and development in the nondefense sector, which is, of course, the arena in which we compete with all these countries around the world, talking about civilian products. And that, of course, has a big impact on our trade deficit and our ability to compete.

In 1971, the United States, Japan, West Germany, were all fairly close. We were a little behind, but we were doing pretty well.

Look at what has happened as we come out to 1989. This line is the United States here, which has moved roughly straight with some pickup here. This is West Germany and Japan. Look at the size of this gap today in investment, in civilian nondefense research and development. That is just one example of the discrepancy between the investments we are making to other countries.

I could produce another chart that shows a discrepancy between what the Germans invest in apprenticeship and training programs for the part of their population that does not go on to college, compared with what we do. The gap is enormous. Seventy percent of our people do not go on to college. Yet we do not have a major apprenticeship and training program, certainly nothing that compares with what the Germans have.

So we are not investing in our country. We are not investing in education and training. We are not investing in infrastructure. We are not investing in research and development, compared with our competitors abroad.

As a consequence of their investments, they gain an advantage on us in the international competition. So we run these trade deficits. We have been running trade deficits throughout the 1980's, and because we have run trade deficits, the United States, which used to be a creditor nation, is now a debtor nation. Ever since World War I we were a creditor nation. We held more claims on people abroad than they held on us. That has now reversed itself. We are now a debtor nation. We are going even further into debt.

This pick up that took place right here were the payments we got for doing the Persian Gulf operation. In other words, we got these payments from countries. But as soon as that was over with, we moved back down here again. It is expected that the trade deficit is going to worsen. This line will lead us even more into a debtor status.

So, President Clinton looked at this and said, we have a budget deficit, we have an investment deficit, the investment deficit is helping to contribute to a trade deficit, the trade deficit is turning us into a debtor nation. He says, well, we have to do something about this. What he proposed to do was to have an economic strategy that would address both the budget deficit question, and the investment deficit question. The President has been very up front about that. In fact, during the campaign, he made the point that we needed an investment strategy. Consistently throughout the campaign, then-Governor Clinton talked about the necessity to address the budget deficit problem, and the necessity to address the investment deficit, that we needed an investment strategy for America to build a stronger economy for the future, and we needed an economic strategy that would bring down the budget deficits. That is what he set out to accomplish. That is what this resolution reflects.

This resolution reflects, as the chairman says, the largest deficit reduction program that has been put forth. And it also reflects investments in certain key programs to build the future strength of the economy.

Well, you say, where are you finding the resources, the financial resources with which to do this deficit reduction, and to do this investment strategy? The President is finding it from two places, from spending cuts and from additional revenues. That is where he is finding it.

I want to ask the chairman of the committee a couple of questions on this. As I understand it, the total deficit reduction in this package is $496 billion over 5 years. Is that correct?

Mr. SASSER. The Senator is correct. It is $496 billion in deficit reduction over 5 years.

Mr. SARBANES. How much of that comes from net revenue changes?

Mr. SASSER. That comes from net revenue changes in the amount of $272 billion.

Mr. SARBANES. So the deficit reduction is significantly greater than the additional revenues. Is that correct?

Mr. SASSER. That is correct. The deficit reduction is over $200 billion more than the net revenue that is raised.

Mr. SARBANES. Where does that other $200 billion come from for the deficit reduction?

Mr. SASSER. One hundred and six billion dollars comes from reduction over 5 years in military spending. This is the first, really, post-cold war budget that the country has had. President Clinton has sought to reduce military spending over the 5-year period by $106 billion.

In addition, he has reduced discretionary or domestic discretionary spending over the same period of time by about $81 billion. And he has reduced the so-called entitlement programs or mandatory spending by $19 billion over the 5-year program.

So he has cut military spending by over $100 billion, he has cut domestic discretionary spending by $18 billion, and he has cut entitlements or mandatory spending by $91 billion.

Mr. SARBANES. Madam President, clearly what the President has done then is, he has increased some spending. That is his investment strategy. He has put some money into investments for the future of the country.

But over and above that, he has realized significant savings in spending to go toward deficit reduction, and the deficit reduction significantly exceeds the additional revenues. So one could legitimately say that every dollar of additional revenue that is in this proposal is going to go for deficit reduction, and that, furthermore, on top of that, a significant amount of the spending cuts will also go for deficit reduction.

Mr. SASSER. The Senator from Maryland is absolutely right. That is absolutely correct.

Mr. SARBANES. Actually, he had even more spending cuts, but he uses some of that for the investment strategy. Is that correct? The President has been very up front about the necessity of doing both things. The President says we have to have an investment

strategy for the country, we have to invest in our human capital, and in our physical capital. And if we do not do this, we are not going to be a competitive nation in the 21st century. We will not have the productivity with which to meet this competition from abroad. And we will not be able to build a high-skill, high-wage economy.

Mr. SASSER. The Senator is quite correct. And what the President has done here, and what his plan proposes and what it will do, if it is adopted by the Congress, is over a 5-year period, the President reduces the deficit as a percent of gross domestic product by 50 percent. He cuts the deficit in half as a percent of gross domestic product, over the 5-year period.

While he is cutting the deficit in half, simultaneously, he is investing in programs for the long-range development of the country, to make it more competitive over and against our trading partners and trading adversaries, to make us more competitive in a worldwide economy and at the same time invest in the human resources of our own people. So it is a finely balanced package that reduces the deficit, while simultaneously investing for the future.

Mr. SARBANES. Well, I am struck by the way my colleagues on the other side of the aisle, the Republican Members of the Senate, seem to treat military spending as though it is not spending. I mean, they consistently want to talk about the spending cuts and ignore the cuts that have been made in the military budget. And I really raise this question, that with the implosion of the Soviet Union—I mean, we now talk about the former Soviet Union. In fact, we are trying very hard to sort of educate ourselves, so we talk about each particular republic that used to constitute the Soviet Union and, clearly, the level of threat has markedly reduced.

That is not to say there are not any threats in the world; we still face difficult situations. But in terms of their order of magnitude, they do not compare to what we were confronting when we faced the Soviet Union and the Warsaw Pact's aggressiveness and expansionism in its objectives. I think most of the American people want to shift some of the money out of defense and into other purposes. In fact, what President Clinton is doing is he is shifting it for investment purposes and for deficit reduction. Those are his two objectives. Invest in America and reduce this deficit, get this deficit on a downward path which is, of course, what this proposal does.

Let me ask the Senator this question, because there are some revenue increases in here, and my colleagues on the other side, of course, are sort of screaming about that.

Am I correct that 65 to 70 percent of the revenue increases that this resolution would produce in the President's proposal to the Congress would come from the people at the top of the income scale—in other words, the top 1 or 2 percent of our population?

Mr. SASSER. Well, the Senator is entirely correct. I have a chart here which represents the distribution of the President's revenue package. And as you look at this chart carefully, you find that almost 65 percent of the revenue comes from those who make $200,000 a year or more.

Those represent the top 1.5 percent of the population in earnings. And that is the proportion of the population that has benefited disproportionately from the large tax cuts that were passed principally during the Reagan years.

This chart also indicates that 8.7 percent of the revenues come from those who made between $100,000 and $200,000 a year. So it is no exaggeration to say that 75 percent of the revenues come from those at the very top of the income scale.

Mr. SARBANES. Madam President, I think this is a very important chart which the chairman has just shown in this explanation. It makes the point that there was one other thing that President Clinton found when he came into office.

We talked about the fact that he found a budget deficit, a big run-up in the national debt; and as a corollary to the big run-up in the national debt, there was a run-up in the interest that we have to pay on the debt each year.

We have made the point that he found an investment deficit. We were not investing anywhere near at the levels that we have invested historically in this country, nor were we investing at the levels that other countries, our competitors abroad, are investing. In fact, of the 10 largest economies, we were the lowest in that regard.

We have run large trade deficits which have turned us into a debtor country. And the President tried to put together a package of spending cuts and revenue increases, which will then provide the resources with which to do deficit reduction and an investment strategy. But when the President put that package together, particularly when he addressed the revenue increases, I am sure he had in mind the fact that over this decade of the 1980's there has been a major shift in this country in the share of income held by the top 10 percent of the income scale.

In other words, what has happened is that the bottom fifth of our population actually lost 18 percent. They had 18 percent less of a share of the Nation's income at the end of the decade than at the beginning of the decade. The next fifth was minus 13.6 percent. The third fifth, minus 8.6 percent. The fourth fifth, minus 5.2 percent. The ninth decile, which are the people between 80 and 90 percent, minus 1.6 percent. The only people during that period who gained in their share of the Nation's income were the top 10 percent of the population. This is 91 to 95, 2.5 percent; 95 to 99, they gained 11.3 percent. Look at this, the top 1 percent had a 60-percent increase in their share of income.

So the President obviously saw that there had been a tremendous shift of benefits to the very top of the income scale. That is also dramatically illustrated by this chart, which shows that this is for the top 1 percent. This is a rather complicated chart. I will take a moment on it. The top 1 percent, rising income, falling tax burden per family.

Here is what happened——

Mr. SASSER. If I may interrupt the Senator, what we are saying here is their income was going up; their tax burden was actually declining?

Mr. SARBANES. That is right. Here is what happened: Their pretax income rose along this line. It rose from $305,000 per family—per year now we are talking, the top 1 percent of the country—to $566,000. Their Federal taxes went up 50 percent. So they have had a slight increase in the Federal taxes they were paying. Of course, the reason for that is that they had a big increase in their income.

In fact, what happened is that their after-tax income went up 105 percent. My Republican friends spend a lot of time putting out charts arguing that the very rich paid more taxes during this period.

That is correct. They did pay more taxes. But what is also correct is that they had much, much, much more income, and in fact their income went up by a significantly larger percentage than their taxes did. So they came out ahead in after-tax income. The logical extreme of this would be if one person had all the income and paid all the taxes, he would say, "I paid more taxes than I used to pay." You would say, "Yes, you do, but the reason is you have so much more income than you used to have."

Their taxes did not rise proportionally to their income as this demonstrates. In fact, their taxes went up 50 percent, their after-tax income doubled—doubled. That is why they got a bigger and bigger share of the Nation's income.

President Clinton looked at that and I think he said to himself, as I would have said: "Well, this is not fair. This is not equitable. There are people here who reaped enormous benefits."

We have been borrowing and spending throughout this period, running up the deficit, borrowing and spending, saddling the Nation with that large debt and those heavy interest charges and that as we address how we are going to deal with this problem. Those who reaped such enormous, disproportionate benefits ought to step up and make a contribution. I do not mind them reaping benefits. I just want people to contribute in a reasonable, proportional and progressive way to address-

ing our Nation's problem. That is why in the President's revenue package of the total revenues raised in this package, 65 percent come from people with incomes above $200,000 a year.

It is very important to keep that in mind, that the real contribution on the revenue side is being made by the people at the top of the income scale, and it is important to keep in mind that the people at the top of the income scale benefited disproportionately throughout the last 10 or 12 years, throughout, roughly, the last decade.

So, what the President has done is he has, I think, put together a very balanced package. We have one piece of it that we are still dealing with that is not in this budget resolution, which is the stimulus package that is on the floor of the Senate.

The stimulus package is separate because of the way we do our business here. If we did our business differently in terms of how we handled legislation, it might well have been part of the actual package. But we are not able to do that. The President has put it forward as an integral part of his package, and, in effect, what the President is saying is, "I need to give some lift to the economy in the short run to assure that it is going to move on a growth path, that it is going to continue to rise."

You see, we have had a recession here in which we are not recovering jobs. And the President's stimulus package, which if it were included in the resolution itself, would result in a somewhat lower deficit reduction figure, not much in the total context. We are talking about a deficit reduction figure of $496 billion over 5 years, and the stimulus package is a total of $30 billion if you count the tax side. Is the tax side figured into this figure?

Mr. SASSER. The total value of the stimulus package for budgetary purposes would be about $14 billion, and so that is the answer.

Mr. SARBANES. In a total picture of $496 billion, so that is about 2½ percent of that, not even 3 percent.

The President is trying to use the stimulus package to get the economy moving. In previous recovery after recessions, we recovered jobs on this sort of growth path. In this recession recovery, we are getting jobs back on this. Look at this contrast between previous recession-recovery cycles and this recession-recovery cycle.

So, Madam President, I just draw to a close with this observation: I think the President has put together a very balanced package. I think his analysis of the Nation's problems and needs is right on target. No one has dealt with these problems for 12 years. We hear all these protestations from the other side of the aisle. They did not deal with these problems. Clinton was handed these problems when he came into office, and he is trying to turn the economy around. He said he was for change and he is. We must be for change.

We cannot go on with these trends that have taken place through the 1980's. We cannot go on running those deficits up, building up the debt. We cannot go on failing to invest in the country.

I gather people on the other side disagree with that. They do not want to do investments. They do not want to tax the very wealthy, and they have been very clear about that. That is a sort of no-no in their book.

What Clinton is saying is: "Look, we are going to change some of our priorities. We are going to shift some money out of defense because we do not need to make the same kind of commitment that we made in the defense budget." The other side thinks there is too much in the defense cuts. They are arguing against that. Clinton is saying we have to start changing. It is still a very big defense budget.

If the chairman will yield, what levels are we still running out?

Mr. SASSER. I am delighted that the Senator from Maryland asked that question because even under the Clinton budget with about $108 billion in military spending cuts over the next 5 years, we will still be spending over the next 5 years the mindboggling figure of $1.34 trillion for the military purposes.

So, it is interesting to hear my friends on the other side of the aisle indicating that we are going to ruination because we are cutting military spending by $108 billion over 5 years. It seems incredible to me that they would say that in light of the fact that President Clinton proposes under this budget to spend over $1.3 trillion over the next 5 years on the military.

Mr. SARBANES. Every survey I have seen of public opinion in this country indicates that people believe by very large margins that we can reduce the military budget, that we ought to reduce the military budget, and then some say we should use that for deficit reduction, and others say we should use it for an investment strategy, to meet the needs of our people here at home, the domestic needs of our people, which are obvious to their very eyes.

I invite people to take a careful look at the infrastructure around them in their cities, towns, villages, and in the rural areas across the country, and if they do that, they are going to conclude that there are needs there that must be met.

So that is one thing the President is doing. He is changing the priorities. He wants to shift some of that money. He is also cutting a lot of domestic spending. Everyone is complaining that this is not a tough program and everything.

Well, this is a tough program. This budget gives some tough figures to committees to comply with. And you are going to see a squeezing of that domestic budget. It is not going to be uniformly squeezed. In other words, the President is not mindless about this thing. The President is not coming along and saying we are going to cut any and all Government programs of whatever sort, nature, or description.

The President is saying we have to cut some programs, but there are other programs that we have to, in effect, carry forward if we are going to meet our problems. So he is talking about investment in technology, in research and development, to keep the United States on the frontiers of technical progress and knowledge. He is talking about educating and training our work force.

Look at what the other countries are doing here—the Germans are spending huge amounts of money on an apprenticeship program. Everyone who goes over and looks at it says this is a tremendous program. These are people who do not go to college. They have a whole program geared to train them, to give them sort of status as master craftsmen, whatever the particular craft may be and to move them into the work market.

How can you have a first-class industrial power if you do not have a first-class transportation network?

The President recognizes all of that, so he is squeezing domestic spending. He is shifting money out of the military.

He is doing his investment strategy and he is bringing some of that money over in order to do deficit reduction, and joining that money, which comes out of the spending cuts for purposes of deficit reduction, with the additional revenues that he is raising, $272 billion over 5 years, with a deficit reduction figure of $496 billion.

The additional revenues over 5 years are $272 billion, 65 percent of those revenues will come from people making more than $200,000 a year, and the deficit reduction is $496 billion.

I want to repeat that. The total deficit reduction is $496 billion in this resolution. The additional revenues are $272 billion.

So a large amount of the deficit reduction is coming, I ask the chairman is it not the case, coming from spending cuts?

Mr. SASSER. No question about it. A very substantial portion of deficit reduction is coming from spending cuts.

And there are some very tough spending reductions here. For example, the President's program proposes $48 billion in cuts to payments to hospitals under the Medicare Program. In other words, no cuts to Medicare beneficiaries—the elderly who rely on Medicare will receive no cuts—but he is requiring the hospitals to engage in some very serious cost control measures. And those funds are then being used to either reduce the deficit or throw some back into investment.

Mr. SARBANES. And, of course, what the President is talking about is the next big issue that he will seek to deal with. Another issue that was handed to him that had not been addressed by this previous administration is the whole health care issue, both the cost control, people's access to health care, and shifting it to preventive medicine.

And, of course, I ask the chairman, is it not correct, when people talk about entitlements affecting the deficit, is that not essentially health care costs that they are talking about? Is that not, when we project out into the future, where the problem is with the rise in health care costs, which are rising at about three times the rate of inflation; is that not correct?

Mr. SASSER. The Senator is quite correct.

When we talk about entitlement programs and growth in entitlement programs, as the Senator from New Mexico discussed earlier this evening, saying that entitlement programs were what were driving the increase in the deficit, what we are really talking about is health care. Because 85 percent of the growth in so-called entitlement programs comes from two programs: Medicare, health care for the elderly; and Medicaid, health care for the poor.

That, in essence, is what is driving this growth in entitlements. The Government, just like everybody else, is caught up in this never-ending cycle of increased health care costs. Clearly, that is going to have to be addressed.

And President Clinton has indicated that, once this economic program is in place and once this deficit reduction program is in place, then the next initiative of his administration will be to deal with the escalating cost of health care.

Mr. SARBANES. Well, I want to say, to President Clinton's credit, he is trying to come to grips with real issues in a real way.

My own view is that we ought to stop using the word "entitlements" and we ought to talk about what program it is that you are talking about when you start talking about entitlements.

Because we get people who come in here and say, "We are going to put a cap on entitlements. We are just going to lay a cap on it, and that is that."

Then you say, "What do you mean by that? What is the program you are talking about?"

Well, in this instance what they are talking about is medical care. And what that means, if you do not have a fully developed medical reform plan, as President Clinton is now trying to develop, what it means is a lot of people are not going to get medical care.

That is what it means, right?

Mr. SASSER. No question about it. The Senator is entirely correct.

Payments by the Federal Government for Medicare and Medicaid amount to approximately 24 percent of the total health care payouts in the whole economy.

If you are going to put a ceiling on what we pay for Medicare, health care for the elderly, that we are going to pay so much and no more; going to put a ceiling on what we pay for health care for the poor, that we are going to pay so much and no more; and then, outside of this one-quarter of the health care payouts, health care costs continue to grow, what you are going to find is that hospitals will start saying: "We are not going to admit Medicare patients." Doctors will start saying, "We are not going to treat Medicaid patients," because you will put a lid on what you will pay there. And, at the same time, other health care costs have been growing three times faster than the Consumer Price Index.

It will mean eventually that people who rely on Medicare, doctors and hospitals will not treat them, and the same with Medicaid patients, poor people.

So that is really no solution to the problem. You have to deal with the whole constellation of health care costs. And that is what the President is proposing.

You cannot deal with just a quarter of it and put a lid on it and say, "We will pay so much and no more." Then people just will not treat Medicare patients or Medicaid patients.

Mr. SARBANES. The President is trying to grab hold of this problem, as sticky as it is, because he knows it has to be addressed.

That is the same thing he is doing with these economic issues. These past patterns are not going to work. They are giving us bigger budget deficits.

We have an eroding investment situation in our country. We are increasingly a debtor nation. We have a greater disparity of income, with the benefits being reaped only at the top end of the scale.

What the President is trying to do, and this budget resolution represents a first major step—and I will close with this observation—the President is trying to move the economy off of quicksand and get it onto firm ground, where we can then build for the future.

These trend lines that the President confronted when he came in—deficits up, budget deficits up, investments down, a worsening debtor status internationally, a growing inequity in income distribution, a jobs recession, poor economic growth—I mean, you are on quicksand when you have those kinds of trend lines.

The President is trying to change this. The President ran on the proposition that he would change it.

I think the chairman of the Budget Committee has done an admirable job in supporting the President and bringing forth this budget resolution.

Mr. President, it is imperative for the future of this country that the President's economic program, all of the pieces of it, be put into place. That is our one hope to get out of the quicksand and onto firm ground and in a position where we can build for the future strength and vitality and prosperity of this country.

I thank the chairman for yielding me time.

The PRESIDING OFFICER (Mr. BRYAN). The Senator from Tennessee.

Mr. SASSER. Mr. President, I want to commend the Senator from Maryland for a very scholarly and dispassionate and objective, I think, presentation this evening of where this country has been in the past few years economically, where we are now, and what we must do for the future. It has been a very thoughtful presentation and very comprehensive.

I think what the Senator from Maryland has done this evening is to present, in a very cogent way, the need for a coordinated plan to deal with the problems that this country finds itself in today and has indicated, I think very clearly, that President Clinton has such a plan, and the Senator from Maryland has pointed out the strengths of that plan and the necessity for its acceptance here. I thank him very much for his presentation.

The PRESIDING OFFICER. The Senator from Iowa [Mr. GRASSLEY] is recognized under the time agreement.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

Mr. President, we have just heard a very good history lesson. Would the Senator from Tennessee like the floor? I will yield if I do not lose my right to the floor.

The PRESIDING OFFICER. With that understanding, the Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I was just wondering, I thought perhaps in the previous unanimous-consent request I had requested the Senator from Colorado speak prior to the Senator from Iowa. It makes no difference to me who speaks first. But that was the unanimous-consent request.

The PRESIDING OFFICER. The Senator from Iowa retains the floor.

Mr. GRASSLEY. Mr. President, we just heard a history lesson, a history lesson of, I think, the last 12 years. We saw some defense of the budget before us. But for the several minutes, maybe 40 minutes in which the distinguished Senator from Maryland was speaking, he was speaking for the most part about history. And I suppose if I were trying to defend a budget that is going to, in 4 years of the term of one President, increase the national debt by the most that it has ever been increased in the history of any Presidential term, and that is $1.4 trillion, I would want to talk about the past all the time as well. I would not want to focus the Nation's attention on this budget. In 5

years, the 5-year projection of this budget is going to lead to an additional $1.8 trillion added to the national debt; from $4.4 trillion today to $5.8 trillion after 4 years of a Clinton administration. And then additionally at the end of 5 years, to $6.2 trillion.

Whoever thought, when they were voting for a President Clinton who deplored the trillion dollars of Reagan deficit, a trillion dollars in Reagan's second term, and a trillion dollars in a Bush term, that they were going to get an additional $1.4 trillion in a Clinton term? People thought they were voting for change, and they are getting the same old trillion dollars debt in a term of office. What is different about that? When that is in this budget—and that is what is going to be foisted upon the people of this country—you can understand why we will have speeches on this floor from the other side of the aisle talking about the last 12 years.

It would not be so bad, maybe, with $1.4 trillion debt, if at the same time we were not getting the biggest tax increase in the history of the country, $272 billion, the second biggest reduction in defense since the post-cold war period was entered, and hardly any reduction in domestic expenditures.

I know a case was made between the Senator from Tennessee in the discussion with the Senator from Maryland—oh, there are lots of reductions in expenditures on the domestic side of the ledger. Yes, there are. But there are massive increases in domestic programs. So that when it is all said and done on the domestic side of the ledger, there are minuscule reductions in the deficit. And when you add in the $16, $17 billion stimulus package we have, there is no reduction on the domestic side of the ledger. So we are going to end up after 4 years of an administration that was elected on a platform of bringing change and reinventing Government, with still a $1.4 trillion increase in the national debt, the biggest tax increase in the history of the country, the second biggest reduction in the defense budget, and still no change on the domestic side of the ledger.

They run on a platform of soaking the rich, and it is the nonrich who are going to get soaked in this budget, particularly with the Btu tax that everybody is going to pay regardless of economic status in life. There is particularly a very detrimental increase in the tax of Social Security recipients, when we increase the tax on Social Security recipients from 50 percent being taxed to 85 percent being taxed. Those are the so-called rich. the trouble with this soak the rich economics is that everybody gets wet and only the rich can afford umbrellas. And of course with this budget, the elderly are going to need hip boots when it is finally implemented.

We saw chart after chart. One chart I cannot help but comment on. That was the chart where you saw the quintile of economic class, the lowest quintile, and then the next highest quintile, all the way up to the very wealthy. Just as if for the decade of the eighties, the people who were in the lowest quintile were always there, and the people who were in the highest income quintile were always there. It avoids the facts of the economics of the 1980's and the public policy of the 1980's that it was to create opportunity. The decade of the eighties became a decade of opportunities because in that lowest quintile, you will find out in the decade of the eighties that 60 percent of the people that were in that lowest quintile found their way into the third, fourth, and fifth quintile, moving up the economic ladder.

There is so much talk about the rich, just as if it is the same static class of people over a long period of time. If you look at Forbes richest 400, the Forbes 400 of 1980, and look at the Forbes 400 of 1990, you will find that 60 percent of the people that were listed in that highest income bracket were no longer there in 1990.

So we had a period of opportunity in the 1980's when the people who were in lower income levels because of opportunity and reduced taxes were able to improve tremendously their status in life, and it also shows that the rich can become poor as well. Those are the dynamics of the American economy.

I heard one of my colleagues on the other side of the aisle today say that the American people voted for change last November; that they voted for a new direction. I look at the tax-and-spend budget that we have before us and I look at the deficit spending stimulus package before us. I listen to the Secretary of Labor who says that the stimulus bill that we have before us is only the first of several such emergency bills, and you can read that as deficit spending bills, that are going to come down the pike this year. Then suddenly, I gain a new found appreciation of what this new direction is that people on the other side of the aisle are talking about. And the answer is, quite factually, it is the same old direction that has been traveled by their party in the past; most recently traveled in the 4 years of the Jimmy Carter administration.

So when the rhetoric of the other side describes change and a new direction, all that means is we are going backward in time to the philosophy of 16 years ago. How hollow their words ring.

America does not want a new direction in just any direction. Yes, we are getting a new direction under this administration, but it is in the wrong new direction. It is heading us in the wrong way, down a one-way street. We are on the southbound street of the highway heading north, and that is not what America voted for in November.

America sent a clear message in November. But the other side did not get it. They think that 43 percent of the voters gave them a mandate for the highest tax increase in history, a whopping spending increase, and the largest increase ever in the national debt. That is what my Democrat friends call a new direction. That is what they call change.

But America did not say that we want change, just any old change. Americans did not say that we want a new direction, just any direction. They had enough of the direction represented by this budget under the philosophy of their previous administration, the Carter administration. We cannot help but remember nationwide malaise so deeply rooted and so pervasive that to this very day, we have not forgotten.

Under this new administration, we are getting all over again the sultans of spending, the titans of taxing. This is back to business as usual. This is just simply deja voodoo. Rather, America sent, in the last election in November, a more bottom-line message. They said to all of us, just fix it. Fix the deficit problems. Fix up your act in Washington.

How can we be doing that when we are right back to business as usual?

I participated in that last election as a candidate. I went through a campaign last year, just like the President of the United States did. I was near the people last year, near their concerns, near their desires, learning about their fears and, most important, about their frustrations. I had opponents who advocated the kind of proposals we have before us, particularly in this budget compromise which is before us. It just seems like candidates of the other side of the aisle can only talk program after program, more and more spending, deficit spending at every turn. These candidates proposed more spending and more programs.

Like a lot of my colleagues, both Republican and Democrat, I won reelection. I think I won because I campaigned on what the citizens in my State wanted: Responsible Government, good Government and an end to deficit spending. That is what the people want. That is what America wants. That was the mandate given us in November. That is what was promised us in November and, of course, it is not being delivered by our friends on the other side of the aisle, neither by the President nor his troops in Congress.

I think there has been a default, squandering a mandate, and so that is why the obligation has fallen to those of us on this side. These are not parliamentary games we play on this side of the aisle. We are trying to, and attempting to deliver on a mandate given to us by Americans in November.

Now the President could have acted on that mandate. He could have deliv-

ered on his promises. For some reason, he chose not to. And the majority party failed to hold his feet to the fire.

So often tonight, as well as before, in this debate we heard the other side use the term "guardians of gridlock." Let me suggest to you why that term is irrelevant. Had the Democrats accepted and understood the mandate that America gave us in November, it would have been reflected in their budget, the principal statement of policy of any administration of any party.

It was not so reflected, Mr. President. Had it been reflected in their budget, and if Republicans had then opposed the budget by offering amendment after amendment to frustrate the process, then that would be legitimately called gridlock. But in this case, Mr. President, the budget and the stimulus bill reflect the opposite of what was promised and the opposite of the mandate that we were given. Therefore, what Republicans are doing on this conference report, like what we did on the budget the first time it was before this body is a legitimate and responsible exercise in delivering what the American people want and what they were promised. We are trying to deliver fiscal responsibility and we are trying to reinvent the Government. We are not the "guardians of gridlock," Mr. President. We are the "guardians of good Government."

The majority party in this body had a chance to be the guardian of good Government, but they squandered the opportunity with their tax-and-spend conference report and the next bill that is to be taken up here, this deficit spending pork bill that we have been considering for a couple 3 days.

I predict that down the road over the next 4 years there will be two clear choices for the American people.

One choice will be what they were promised in November, and of course what they legitimately thought they were getting with the new administration. That is the choice of a better Government, spending less money, a reinvented Government within spending limits, and all within what we can afford.

The other choice is what we have in this tax-and-spend budget conference and on the stimulus bill. That choice is the business as usual choice, the status quo, the exact target of the November mandate. I predict, Mr. President, that when all is said and done, the American people will choose a more effective Government living within its means and they will resoundingly reject what is represented in this new wrong direction.

I know we have a long ways to go, Mr. President, before we are able to turn this around. The people thought that it was turned around in the last election. But when they see $1.4 trillion, the bottom line of the policy statement, the economic policy statement of this administration, the budget before us, they will know that they have been had and that the promises of last fall are not being carried out.

I will yield the floor, and the Senator from Colorado can have whatever time he wants on this side.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado [Mr. BROWN] is recognized.

Mr. BROWN. Mr. President, I rise out of concern over the budget resolution that is before us, and while the hour is late, I want to make a few remarks before the vote that comes up tomorrow.

First, Mr. President, let me extend a word about the gentleman who is not here at this moment but who is here in spirit and has been here throughout the process. PETE DOMENICI, the distinguished Senator from New Mexico, has led the Republican effort. And I must say in the decade that I served in the House of Representatives and the 2 years that I have had the privilege of serving here, I have never seen a more dedicated, conscientious, hardworking legislator. PETE DOMENICI does what he says, and he means what he says. He has led the fight to reduce this deficit perhaps with more vigor and more determination and more hard work than anyone I know.

Mr. President, I would be remiss if I did not also take a moment to thank the distinguished Senator from Tennessee, the chairman of our Budget Committee. Senator SASSER has put up with my amendments, listened to my suggestions, and all with good humor and often with a straight face. His personal kindness is greatly appreciated, and I can only imagine it is because my family a long time ago was from Tennessee. At any rate, his kindness and his indulgence I deeply appreciate.

Mr. President, I think it is also important, although I certainly am not the one to extend the formal thanks, to acknowledge the fine work of Larry Stein and Bill Dauster. They have been of immense help to me, perhaps more than their boss ought to know, but I think they have gone out of their way to help someone of the opposite party.

I must also take a moment to thank Bill Hoagland and Austin Smythe, staffers on the Republican side who have done such an outstanding job. Bill Hoagland is outnumbered in terms of staff, I have suspected perhaps outnumbered in terms of pay, but he is the most informed and the hardest working staffer I have ever met in 12 years on the Hill. His patience and kindness and incredible depth of knowledge are an enormous benefit to this Member and I think everyone who serves with him.

Mr. President, the budget before us is pretty straightforward. What it ultimately comes down to is some total figures. Annual spending with regard to this budget breaks down I think as follows: First of all, if you take the first year, this year we are in now, compared to the end of the budget cycle what this bill does is cut $41 billion in defense. Those are real dollars, that is, net reductions. That is not in comparison to what we might have spent, but it is a $41 billion cut in actual dollars. It increases domestic spending $42 billion over that time period. When I say that I mean discretionary domestic spending, up $42 billion, not down.

Non-Social Security mandatory programs—that is, mandatory programs not counting Social Security—go up $76 billion over those 5 years. Perhaps a surprise to everyone is if you compare 1993 numbers to 1998 numbers, revenue is up $410 billion per year. It is not only the biggest tax increase in the history of this country, it is the biggest tax increase in the history of any country. As I think Members need to know, that $410 billion increase in annual revenue is not all tax increase. Much of it is related to inflation and to simple growth in the economy that is projected. But the net figure as we have used in the comparison with the spending numbers is $410 billion more.

Second, Mr. President, I think we would be remiss if we did not at least note at this point that this is the biggest increase in the national debt that any budget resolution has ever called for in the history of this Nation, an over $1.1 trillion increase over that budget cycle.

It is also, in current dollars at least, the biggest tax increase in the history of this country or any country in the history of the world.

Mr. President, the irony of all of these numbers is this incredible sacrifice by the American people does not eliminate the deficit.

It does not even come within $200 billion of eliminating it. The number in 1998 after the most unbelievable sacrifice any country has been called on to make is $201.9 billion.

Mr. President, I ask you to think about the kind of things that have been said about this budget deficit. Let me give you some examples.

During the campaign, President Clinton promised $3 of spending cut for every dollar of tax increase. Later on, the Office of Management and Budget Director Panetta testifying before Congress called for $2 of spending cuts for every dollar of tax increase. I suspect everyone is aware of the date that we will vote on this—April Fool, America.

This budget deficit, this budget plan, will involve $3 of tax increase for every dollar of spending cut, the opposite or worse than the opposite of what the President had called for originally. During the campaign, the President made this statement on "Larry King, Live." I quote it: "I would present a 5-year plan to balance the budget." April Fool, America. This misses the mark by over $200 billion.

During the campaign, the President also said this: "I want to make it very clear that this middle-class tax cut, in my view, is central to any attempt we are going to make to have short-term economic strategy and a long-term fairness strategy." April Fool, America. The middle-income class get a tax increase, not a tax cut, whether it is Social Security for the elderly, or an energy tax for the rest, all of us, middle-income class, as well have a tax increase.

Finally, Mr. President, in the process of the campaign, the President talked about taxing the rich. Early on he talked about the rich being those over $200,000 that would have to pay higher taxes. But on October 29, he further refined his intent for the campaign and for the tax. "The way I would define it in terms of people who would be immunized from paying any more would be families with family income above $80,000 a year or less."

April Fool, Mr. President.

Those who have $25,000 a year or more in Social Security will get a tax increase. And those who consume energy in almost any form will get a tax increase as well.

We would be remiss not noting, I suspect in this regard, that indeed there is supposed to be a low-income tax credit. I hope there is. But my guess is that when it is all said and done, we will have far more in the way of taxes for the poor, and the middle income than we did before.

Mr. President, I want to not leave here without making some forecasts because when we become sincere legislators to the end of a long road—this has been a long road—we ought to stand by what we do and how we vote.

I intend to vote against this package. I believe it is the wrong course for America. I do not believe higher spending and higher taxes will make us either more prosperous or eventually reduce the deficit.

So here is my forecast. The Budget Committee has put out theirs. First, I believe when we assemble here a year from today, or perhaps next year when we do the final drafting of the budget, instead of the documents reflecting what this budget document calls for, I believe you are going to see that spending will have exceeded the budget and will have exceeded it dramatically.

Mr. President, I must say I hope I am wrong. I hope the chairman's figures are right. I believe you are going to see spending far higher than what is even in this document that calls for huge spending increases.

Two, Mr. President, I believe when we assemble a year from now, we will hear a call from the President of the United States—having served the biggest tax increase in the history of any nation in the world—the President of the United States will call for more new taxes. Yes, Mr. President, these will not just fall on the rich. They will fall on everyone.

My third for forecast, Mr. President, that I again also hope is wrong, is this: This budget document calls for a deficit of a little over $201 billion in 1998 after incredible sacrifice by the American people.

Mr. President, I believe when 1998 comes, that the deficit will not be $201 billion, it will be more than double that and perhaps even far beyond it.

I mention all of this because I think we ought to be held accountable for what we vote for, how we stand, and what kind of results our actions bring to the American people. I can only say that I go forward with a firm and a fundamental belief that the strength of America does not lie in this Chamber no matter how bright or how dedicated the people who serve here are. I believe the strength of America is in the men and women who do the work of this country, the people who drive the trucks, dig the ditches, and work in the butcher shops, the people who earn their living by the sweat of their brow, the people who spend every day with long hours to eke out a living, the ones who do not come in for the special breaks or the special privileges.

I believe the key to making America strong is giving the men and women who make America go the right to make their own decisions and the opportunity to decide how their own money is spent. I think taking 30, 40 percent of what working men and women earn for themselves and giving it to the Government and have Government spend their own money is a mistake. It is a mistake not because there are not good things to spend it on. Heavens, we know in listening in this Chamber every day there are new programs that money could be spent on that could be passed. The problem is that for every dollar we take away from the men and women who work for this country and make it go is $1 less they have to spend and $1 less of incentive for them to work and $1 less for them to be productive. Oftimes we decide for them how their lives ought to be run. There is less and less incentive for them to be creative.

If there is one secret America has discovered, if there is one reason why America is strong, if there is one thing that sets us apart as a country, it is a belief in the individual, in individual freedom and opportunity. America is not great because we are all of one race. We are not. We are mixed. America is not great because we are blessed with such great resources. We have great resources, but there are other countries with far more, including one that recently fell apart. America is not great because of our climate or our topography, although we have a beautiful country to enjoy. America is great because we have discovered the secret, we have discovered the secret of what can make any country strong.

Mr. President, we have understood that what makes America strong is being able to tap the creative force inside each and every individual in the Nation, to give them a chance to run their own lives, and to spend their own money, and to enjoy the rewards if they work hard.

This budget says they are going to take more from the people who work in America and we will give them less control over their own lives. It is a budget that will harm America, and I shall vote against it.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276d–276g, as amended, appoints the Senator from Alaska [Mr. MURKOWSKI] as Vice Chairman of the Senate Delegation to the Canada-United States Interparliamentary Group during the 1st session of the 103d Congress, vice the Senator from Alaska [Mr. STEVENS].

RECESS UNTIL TOMORROW AT 9:20 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until Thursday morning, April 1, 1993, at the hour of 9:20 a.m.

Thereupon, the Senate, at 11:46 p.m., recessed until Thursday, April 1, 1993, at 9:20 a.m.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate March 31, 1993:

DEPARTMENT OF STATE

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.

JOAN E. SPERO, OF NEW YORK, TO BE UNDER SECRETARY OF STATE FOR ECONOMIC AND AGRICULTURAL AFFAIRS.

HARRIET C. BABBITT, OF ARIZONA, TO BE THE PERMANENT REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE ORGANIZATION OF AMERICAN STATES, WITH RANK OF AMBASSADOR.

ZTHOMAS E. DONILON, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF STATE.

GEORGE EDWARD MOOSE, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AN ASSISTANT SECRETARY OF STATE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF THE TREASURY

LAWRENCE H. SUMMERS, OF THE DISTRICT OF COLUMBIA, TO BE AN UNDER SECRETARY OF THE TREASURY.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING DANIEL B. CONABLE, AND ENDING FRANKLIN D. LEE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 9, 1993.

FOREIGN SERVICE NOMINATIONS BEGINNING MELVIN W. SEARLS, JR., AND ENDING THEODORE J. VILLINSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 9, 1993.

FOREIGN SERVICE NOMINATIONS BEGINNING ROBERT BEMIS, AND ENDING WILLIAM J. WEINHOLD, WHICH

NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 9, 1993.

FOREIGN SERVICE NOMINATIONS BEGINNING WILLIAM M. TAPPE, AND ENDING DANIEL L. DOLAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 9, 1993.