CONGRESSIONAL RECORD – 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:

S. 243. A bill to provide greater access to civil justice by reducing costs and delay, and for other purposes; to the Committee on the Judiciary.

By Mr. Coburn (for himself, Mr. Roth, Mr. Glenn, Mr. Bond, Mr. Bumpers, Mr. Pressler, Mr. Lieberman, Mrs. Hutchison, Mrs. Johnston, Mr. Domenici, Mr. Hollings, Mr. Nickles, Mr. Breaux, Mr. Warner, Mr. Robb, Mr. Cochran, Mr. Bryan, Mr. Smith, Mr. Lautenberg, Mr. Mack, Mr. Moseley-Braun, and Mr. Shelby):

S. 244. A bill to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes; to the Committee on Government Affairs.

By Mr. Cohen (for himself, Mr. Dole, Mr. Simpson, Mr. Stevens, Mr. D'Amato, Mr. Graham, Mr. Coats, Mr. Inhofe, Mr. Nickles, Mr. Pryor, Mr. Bond, Mr. Chafee, Mr. Ford, and Mr. Domenici):

S. 245. A bill to provide for enhanced penalties for health care fraud, and for other purposes; to the Committee on Finance.

By Mr. Lieberman:

S. 246. A bill to establish demonstration projects to expand innovations in State administration of the aid to families with dependent children under title IV of the Social Security Act, and for other purposes; to the Committee on Finance.

By Mr. Gregg (for himself and Mr. Cochran):

S. 247. A bill to improve senior citizen housing safety; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. Lieberman:

S. 248. A bill to delay the required implementation date for enhanced vehicle inspection and maintenance under the Clean Air Act and to require the Administrator of the Environmental Protection Agency to reissue the regulations relating to the program, and for other purposes; to the Committee on Environment and Public Works.

By Mrs. Hutchison (for herself, Mr. Brown, Mr. D'Amato, and Mrs. Feinstein):

S. 249. A bill to amend title IV of the Social Security Act to require States to establish a 2-digit fingerprint identification system in order to prevent multiple enrollments by an individual for benefits under such Act, and for other purposes; to the Committee on Finance.

By Mr. McConnell:

S. 250. A bill to amend chapter 41 of title 28, United States Code, to provide for an analysis of certain bills and resolutions pending before the Congress by the Director of the Administrative Office of the United States Courts, and for other purposes; to the Committee on the Judiciary.

By Mr. McCain:

S. 251. A bill to make provisions of title IV of the Trade Act of 1974 applicable to Cambodia; to the Committee on Finance.
Many of the elements of this bill are based on the 1992 Access to Justice Act. For example, my bill reintroduces a modified English rule on attorney’s fees that will award prevailing parties in Federal diversity cases reasonable attorney’s fees, with adequate safeguards to protect against possible injustice. This provision is hardly the radical change it is being portrayed as, and I would point out that this so-called English rule is followed by most industrialized countries, with the United States being the most notable exception. So I think it is worth trying in the United States in a limited class of cases—diversity suits—in order to see if it is effective in discouraging frivolous lawsuits.

By limiting the rule to diversity cases, the bill ensures that no one will be denied a forum for their dispute, since all such cases can be filed in State court. If the defendant removes the case to Federal court, then the loser pays rule will not apply. This limited English rule will expire in 5 years unless Congress chooses to continue it, after a fourth-year report by the administrative office of the courts on the effectiveness of the rule.

The bill also includes a number of safeguards to avoid any unintended consequences. The amount the loser must pay is limited to the amount of his or her own fees. Moreover, the court is given broad discretion to limit the amount the loser must pay if it finds such payment to be unjust under the circumstances of the case before it.

The bill also requires 30 days advance notice of intent to sue—something most responsible lawyers already do. It also requires prisoners with civil rights claims to provide written notice of intent to sue—something now required in Federal civil rights cases.

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To promote early settlement of cases and reduce litigation costs, the bill contains a statutory offer of judgment rule. It is similar to a proposal by Judge William Schwartzer, former director of the Federal Judicial Center. This rule will allow either party to a lawsuit to make a written offer to settle the entire dispute. The offer may be rejected by the other party at any point in the litigation. If the settlement is declining and the party rejecting the offer ultimately gets a judgment less favorable than the settlement offer, he or she is then responsible for the offeror’s attorneys fees from the time the offer was made. This will give parties a strong incentive to offer and accept reasonable settlements.

Another provision of my bill will begin to curtail some of the excesses of the expensive Federal court trials that take up too many Federal trials. Following the example of several States, particularly Arizona, my bill will limit parties to one expert witness on a given issue.

The Civil Justice Reform Act of 1990 has had a positive effect on the Federal courts in reforming pretrial, processes to reduce costs and delay. This bill takes the next step by making some limited fee shifting proposals and a few limited reforms for reducing litigation costs. I look forward to the hearings I intend to hold in the Subcommittee on Administrative Oversight and Courts, and to discussing these proposals with my colleagues on the Judiciary Committee, as well as the full Senate.

I ask unanimous consent that the full text of the bill appear in the RECORD.

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

SEC. 2. DIVERSITY OF CITIZENSHIP JURISDICTION; AWARD OF ATTORNEYS’ FEES TO PREVAILING PARTY.

(a) AWARD OF FEES.—Section 1332 of title 28, United States Code, is amended by inserting after subsection (e) the following new subsection:

(1) The prevailing party in an action under this section shall be entitled to attorneys’ fees only to the extent that such party prevails on any position or claim advanced during the action. Attorneys’ fees under this paragraph shall be paid by the nonprevailing party but shall not exceed the amount of the attorneys’ fees of the nonprevailing party with regard to such position or claim. If the nonprevailing party receives services under a contingent fee agreement, the amount of attorneys’ fees under this paragraph shall not exceed the reasonable value of those services.

(2) In order to receive attorneys’ fees under paragraph (1), counsel of record in any action under this section shall maintain accurate, complete records of hours worked on the matter regardless of the fee arrangement with his or her client.

(3) The court may, in its discretion, limit the fees recovered under paragraph (1) to the extent that the court finds special circumstances that make payment of such fees unjust.

(4) This subsection shall not apply to any action removed from a State court under section 1441 of this title, or to any action in which the United States, any State, or any agency, officer, or employee of the United States or any State is a party.

(5) As used in this subsection, the term "prevailing party" means a party to an action who obtains a favorable final judgment (other than by settlement), exclusive of interest, on all or a portion of the claims asserted in the action.

(b) STUDY AND REPORT.—(1) The Director of the Administrative Office of the United States Courts shall conduct a study regarding the effect of the requirements of subsection (f) of section 1332 of title 28, United States Code, as added by subsection (a) of this section, on the caseload of actions brought under such section, which study shall include—

(A) data on the number of actions, within each judicial district, in which the nonprevailing party was required to pay the attorneys’ fees of the prevailing party; and

(b) an assessment of the deterrent effect of the requirements on frivolous or meritorious actions.

(2) No later than 4 years after the date of enactment of this Act, the Director of the Administrative Office of the United States Courts shall submit a report to the appropriate committees of Congress containing—

(A) the results of the study described in paragraph (1); and

(B) recommendations regarding whether the requirements should be continued or applied with respect to additional actions.

(3) The report required by this subsection shall be submitted to Congress at least once every 10 years.
rested upon the claimant. Whenever an action, including attorneys’ fees, shall be imposed by the claimant, and such defect is as-

to the defendant, the claim shall be dismissed upon the demand of the property, or in any other type of action involving exigent circumstances that compel 

quity of being dismissed; and (2) the original action was timely filed in accordance with subsection (b)."

term ‘transmit’ means to mail by first class-mail, postage prepaid, or contract for delivery by any company which physically delivers corres-

subject to flight, dissipation, or destruction, or action or would satisfy a judgment are subject to flight, dissipation, or destruction, or

days after dismissal regardless of any statutory limitation period if—(1) during the 60 days after dismissal, notice is transmitted under subsection (a); and (2) the original action was timely filed in accordance with subsection (b)."

from both sides of the aisle, many of whom are present or former members of the Committee on Small Business of the Governmental Affairs.

the Paperwork Reduction Act to have been without legislative history. Mr. BUMPERS, Mr. ROTH, and Mr. GLENN, both have worked long and 

Office of Information and Regulatory Paperwork Reduction Act of 1980 and hard on legislation to strengthen the Paperwork Reduction Act of 1980 and to reauthorize appropriations for the Office of Information and Regulatory Affairs (OIRA), which has been without authorizing legislation since October of 1989. Leading cosponsors also include the chairman, Mr. BOND, and ranking Democratic member, Mr. BUMPERS, of the Committee on Small Business. The Committee on Small Business, of which I am the senior member, has played a crucial supporting role on behalf of the small business community in maintaining the effort to enact legislation to strengthen the 1980 act. We are being joined by 22 of our colleagues from both sides of the aisle, many of whom are present or former members of the Committee on Small Business of the Governmental Affairs.

a skillful production Act of 1995. This bill is substantively identical to S. 560, which was unanimously approved by the Senate in the closing days of the 103d Con-

the Paperwork Reduction Act of 1995 is substantively identical to S. 560 introduced in the 103d Congress. That bill represented the culmination of years of work which began in the 100th Congress. It represents a skillful blending of S. 560, as introduced by me and S. 681, a bill introduced by my friend from Ohio, Mr. GLENN, then chairman of the Governmental Affairs Committee. His skill and leadership, and the tenacity of all of those involved in both bills made possible the crafting of this text of S. 560. It garnered unanimous support from the Governmental Affairs Committee. S. 560, as reported last year, had the support of the Clinton administration and I am hopeful that the administration
Next, Mr. President, I would like to discuss the individual provisions of the Paperwork Reduction Act of 1995.

Mr. President, the Paperwork Reduction Act of 1995 enjoys strong support from the business community, especially the small business community. It has the support of a broad Paperwork Reduction Act Coalition, representing virtually every segment of the business community. They have worked long and hard on this legislation for many years. Without them, we would not be able to have the consensus bill that we have today.

Participating in the coalition are the major national small business associations—the National Federation of Independent Business (NFIB), the Small Business Legislative Council (SBLIC), and National Small Business United (NSBU) as well as the many specialized national small business associations.
like the American Subcontractors Association, that comprise the membership of the SBLC or NSBU. Other participating manufacturers, aerospace and electronics firms, construction firms, providers of professional and technical services, retailers of various products and services, and the wholesalers and distributors who support them. It would like to identify by a few other organizations that comprise the Coalition’s membership: the Aerospace Industries Association [AIA], the American Consulting Engineers Council [ACEC], the Associated Builders and Contractors [ABC], the Associated General Contractors of America [AGC], the Chemical Manufacturers Association [CMA], the Computer and Business Equipment Manufacturers Association [CBEMA], the Contract Service Association [CSA], the Electronic Industries Association [EIA], the Independent Bankers Association of America [IBAA], the International Communications Industries Association [ICIA], the National Association of Manufacturers, the National Association of Wholesalers and Distributors, the National Security Industries Association [NSIA], the National Tooling and Machining Association [NTMA], the Printing Industries Association [PIA], and the Professional Service Council [PSC]. Leadership for the coalition is being provided by the Council for Regulatory and Information Management [C-RIM] and by the U.S. Chamber of Commerce. C-RIM is the new name for the Business Council on the Reduction of Paperwork, which has dedicated itself to paperwork reduction and regulatory reform issues for more than a half century.

The coalition also includes a number of professional associations and public interest groups that support strengthening the Paperwork Reduction Act of 1980. These include the Association of Research and Administration [ARMA] and Citizens for a Sound Economy [CSE], to name but two very active coalition members.

Mr. President, given the regulatory and paperwork burdens faced by State and local governments, legislation to strengthen the Paperwork Reduction Act is high on the agenda of the associations representing elected officials. The Governor of Florida, my friend Lawton Chiles, has worked hard on this issue within the National Governors Association. During its 1991 annual meeting, the National Governors Association adopted a resolution in support of legislation to strengthen the Paperwork Reduction Act of 1980.

Mr. President, I urge my colleagues to join me in supporting this legislation.

As I mentioned, Chairman ROTH and Senator GLENN are both co-sponsors of this legislation, as is Senator BOND, the new chairman of the Small Business Committee, and the previous chairman and now ranking member, Senator BUMPERS.

It is my understanding that we will have a markup on this bill next week. It is my hope it can be on an accelerated schedule here on the Senate floor. It is my hope that the Paperwork Reduction Act of 1995 will get similar expedited treatment on the House side, so that President Clinton will have this bill on his desk in the next few weeks. So that with a strengthened Paperwork Reduction Act we can continue the difficult but very important process of cracking down on Federal agency paperwork burdens that do not meet the Act’s standards.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

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

S. 244

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 Act of 1995.”

SEC. 2. COORDINATION OF FEDERAL INFORMATION POLICY.

Chapter 35 of title 44, United States Code, is amended to read as follows:

"CHAPTER 35—COORDINATION OF FEDERAL INFORMATION POLICY

"Sec. 3501. Purposes.

"(1) reduce Federal costs;

"(2) reduce Federal paperwork;

"(3) coordinate, integrate, and to the extent practicable and appropriate, make uni-
"(E) completing and reviewing the collection of information; and

"(F) transmitting, or otherwise disclosing the information;

"(3) the term `collection of information'—

"(A) means the obtaining, causing to be obtained, collecting, or requiring the disclosure to third parties or the public, of facts or information, irrespective of the form or format, calling for either—

"(i) answers to questions posed to, or identifying reports or recordkeeping requirements imposed on, ten or more persons, other than agencies, instrumentalities, or employees of the United States or of the District of Columbia; or

"(ii) answers to questions posed to agencies, instrumentalities, or employees of the United States which are to be used for general statistical purposes; and

"(B) shall not include a collection of information described under section 552(a)(1);

"(4) the term `Director' means the Director of the Office of Management and Budget;

"(5) the term `independent regulatory agency' means the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Energy Regulatory Commission, the Federal Housing Finance Board, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Mine Enforcement and Safety Health Review Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, the Securities and Exchange Commission, and any other similar agency designated by statute as a Federal independent regulatory agency or commission;

"(6) the term `information resources management' means the process of managing information resources to accomplish agency missions and to improve agency performance, including through the reduction of information collection burdens on the public;

"(7) the term `information system' means a discrete set of information resources and processes, automated or manual, organized for the purpose of processing, maintaining, or disseminating information, such as personnel, equipment, funds, and information technology; and

"(8) the term `information technology' has the same meaning as the term `automated data processing equipment' as defined by section 111a(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 790a).

"(9) the term `person' means an individual, partnership, association, corporation, business trust, or legal representative, an unincorporated business, an unincorporated partnership, association, corporation, business trust, or legal representative, an organization, or a political subdivision of a State, territory, or local government or a branch of a political subdivision.

"(10) the term `practical utility' means the ability of an agency to use information, particularly the capability to process such information in a timely and useful fashion;

"(11) the term `principle' means any information, regardless of form or format, that an agency discloses, disseminates, or makes available to the public; and

"(12) the term `recordkeeping requirement' means a requirement imposed by or for an agency on persons to maintain specified records.

§ 3503. Office of Information and Regulatory Affairs

(a) There is established in the Office of Management and Budget an office to be known as the Office of Information and Regulatory Affairs.

(b) The Director shall at the head of the Office an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall have the authority to administer all functions under this chapter, except that any such delegation shall not relieve the Administrator from the administration of such functions. The Administrator shall serve as principal adviser to the Director on Federal information resources management functions and as a principal consultant to the Director and the Director shall develop and oversee the implementation of and disseminate to the public; and

"(A) develop, coordinate and oversee the implementation of Federal information resources management policies, principles, standards, and guidelines; and

"(B) provide direction and oversee—

"(i) the review of the collection of information and the reduction of the information collection burden;

"(ii) the agency dissemination of public access to information;

"(iii) statistical activities;

"(iv) records management activities;

"(v) privacy, security, disclosure, and sharing of information; and

"(vi) the acquisition and use of information technology.

"(2) The authority of the Director under this chapter shall be exercised consistent with applicable law.

(b) With respect to general information resources management policy, the Director shall—

"(1) develop and oversee the implementation of uniform information resources management policies, principles, standards, and guidelines;

"(2) foster greater sharing, dissemination, and access to public information, including through—

"(A) the use of the Government Information Locator Service; and

"(B) the development and utilization of common standards for information collection, storage, processing and communication, including standards for security, interactivity and interoperability;

"(3) initiate and review proposals for changes in legislation, regulations, and agency procedures to improve information resources management practices;

"(4) oversee the development and implementation of best practices in information resources management, including training; and

"(5) oversee agency integration of program and management functions with information resources management functions.

(c) With respect to the collection of information and the control of paperwork, the Director shall—

"(1) review proposed agency collections of information; and

"(2) coordinate the review of the collection of information and regulatory matters with the Office of Information and Regulatory Affairs, the Office of Information and Privacy, and the Office of the Federal Procurement Policy, with particular emphasis on applying information technology to improve the efficiency and effectiveness of Federal procurement and agency operations and to reduce information collection burdens on the public;

"(3) minimize the Federal information collection burden, with particular emphasis on those individuals and entities most adversely affected;

"(4) maximize the practical utility of and public benefit from information collected by or for the Federal Government; and

"(5) establish and oversee standards and guidelines by which agencies are to estimate the burden to comply with a proposed collection.

(d) With respect to information dissemination, the Director shall develop and oversee the implementation of policies, principles, standards, and guidelines—

"(1) apply to Federal agency dissemination of public information, regardless of the form or format in which such information is disseminated;

"(2) promote public access to public information and fulfill the purposes of this chapter, including through the effective use of information technology;

"(e) With respect to statistical policy and coordination, the Director shall—

"(1) coordinate the activities of the Federal statistical system to ensure—

"(A) the efficiency and effectiveness of the system; and

"(B) the integrity, objectivity, impartiality, utility, and confidentiality of information collected for statistical purposes;

"(2) ensure that budget proposals of agencies are consistent with system-wide priorities for maintaining and improving the quality of Federal statistics and prepare an annual report on statistical program funding;

"(3) develop and oversee the implementation of Governmentwide policies, principles, standards, and guidelines concerning—

"(A) statistical collection procedures and methods;

"(B) statistical data classification;

"(C) statistical information presentation and dissemination;

"(D) timely release of statistical data; and

"(E) access to statistical data sources, as may be required for the administration of Federal programs;

"(4) evaluate statistical program performance and agency compliance with Governmentwide policies, principles, standards, and guidelines;

"(5) promote the sharing of information collected for statistical purposes consistent with privacy rights and confidentiality pledges;

"(6) coordinate the participation of the United States in international statistical activities, including the development of comparable statistics;

"(7) appoint a chief statistician who is a trained and experienced professional statistician to carry out the functions described under this subsection;

"(8) establish an Interagency Council on Statistical Policy to advise and assist the Director in carrying out the functions under this subsection that shall—

"(A) be headed by the chief statistician; and

"(B) consist of—

"(i) the heads of the major statistical programs; and

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(ii) representatives of other statistical agencies of the Federal Government; and

(iii) provide opportunities for training in statistical policy to employees of the Federal Government under which—

(A) all costs of the training shall be at the discretion of the Director based on agency requests and shall serve under the chief statistician for at least 6 months and not more than 2 years and

(B) all costs of the training shall be paid by the agency requesting the training.

(\d) With respect to records management, the Director—

(I) provide advice and assistance to the Archivist of the United States and the Administrator of General Services to promote coordination in the administration of chapters 25 and 33 of this title with the information resources management policies, principles, standards, and guidelines established under this chapter;

(II) review compliance by agencies with—

(A) the requirements of chapters 29, 31, and 33 of this title; and

(B) regulations promulgated by the Archivist of the United States and the Administrator of General Services;

(III) oversee the application of records management policies, principles, standards, and guidelines for ensuring effective, confidential, security, disclosure and sharing of information collected or maintained by or for agencies;

(IV) oversee and coordinate compliance with section 203 of the Computer Security Act of 1987 (40 U.S.C. 759 note), and related information management laws; and

(V) require Federal agencies, consistent with the Computer Security Act of 1987 (40 U.S.C. 759 note), to identify and afford security protections commensurate with the risk and magnitude of the harm resulting from the loss, misuse, or unauthorized access to or modification of information collected or maintained by or on behalf of an agency.

(\e) With respect to information technology, the Director shall—

(I) develop and oversee the implementation of policies, principles, standards, and guidelines for information technology functions and activities of the Federal Government, including periodic evaluations of major information systems; and

(II) oversee the development and implementation of standards under section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759); and

(III) monitor the effectiveness of, and compliance with, directives issued under sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757 and 759) and review proposed determinations under section 111(e) of such Act;

(IV) coordinate the development and review of Federal information and Regulatory Affairs of policy associated with Federal procurement and acquisition of information technology with the Office of Federal Procurement Policy;

(V) ensure, through the review of agency budget proposals, information resources management plans and other means—

(A) agency integration of information resources management plans, program plans and budgets for acquisition and use of information technology; and

(B) the efficiency and effectiveness of inter-agency information technology initiatives to improve agency performance and the accomplishment of agency missions;

(VI) promote the use of information technology by the Federal Government to improve the productivity, efficiency, and effectiveness of Federal programs, including the dissemination of public information and the reduction of information collection burdens on the public.

\section*{S 3505. Assessment tasks and deadlines}

In carrying out the functions under this chapter, the Director shall—

(1) in consultation with agency heads, set an annual Governmentwide goal for the reduction of information collection burdens by at least five percent, and set annual agency goals to—

(A) reduce information collection burdens imposed on the public that—

(i) represent the maximum practicable opportunity in each agency; and

(ii) are consistent with improving agency management of the process for the review of collections of information established under section 3506(c); and

(B) improve information resources management in ways that increase the productivity, efficiency and effectiveness of Federal programs, including service delivery to the public;

(2) with selected agencies and non-Federal entities on a voluntary basis, conduct pilot projects to test alternative policies, procedures, and practices to fulfill the purposes of this chapter, particularly with regard to minimizing the Federal information collection burden;

(3) in consultation with the Administrator of General Services, the Director of the National Institute of Standards and Technology, the Archivist of the United States, and the Director of the Office of Personnel Management, develop and maintain a Governmentwide strategic plan for information resources management, that shall include—

(A) a description of the objectives and the means by which the Federal Government shall apply information resources to improve agency and program performance;

(B) plans for—

(i) reducing information burdens on the public, including reducing such burdens through the elimination and meeting shared data needs with shared resources;

(ii) enhancing public access to and dissemination of, information, using electronic and other formats; and

(iii) 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 provisions of this chapter; and

(C) a description of progress in applying information resources management to improve agency performance and the accomplishment of agency missions;

(4) in cooperation with the Administrator of General Services, issue guidelines for the establishment and operation in each agency of a program under section 3506(h)(5) of this chapter, to review major information systems initiatives, including acquisition and use of information technology.

\section*{S 3506. Federal agency responsibilities}

(a) The head of each agency shall be responsible for—

(A) carrying out the agency’s information resources management activities to improve agency productivity, efficiency, and effectiveness, and

(B) complying with the requirements of this chapter and related policies established by the Director.

(2) (A) Except as provided under paragraph (8), the head of each agency shall designate a senior official who shall report directly to such agency head to carry out the responsibilities of the agency under this chapter.

(B) The Secretary of the Department of Defense and the Secretary of each military department may each designate a senior official who shall report directly to such Secretary to carry out the responsibilities of the department under this chapter. If more than one official is designated for the military departments, the respective duties of the officials shall be clearly delineated.

\section*{S 3507. Inter-agency information technology initiatives}

(a) The Director, in consultation with program officials and the Chief Financial Officer (or comparable official), each agency official designated under paragraph (2) and the Chief Financial Officer (or comparable official), each steering committee established under this chapter and related policies established by the Director.

(b) With respect to general information resources management, each agency shall—

(I) develop information systems, processes, and procedures to—

(A) reduce information collection burdens on the public;

(B) increase program efficiency and effectiveness and

(C) improve the integrity, quality, and utility of information to all users within and outside the agency, including capabilities for the improving dissemination of public information, public access to government information, and protections for privacy and security;

(II) in accordance with guidance by the Director, develop and maintain a strategic information resources management plan that shall describe how information resources management activities help accomplish agency missions;
(3) develop and maintain an ongoing process to—

(A) ensure that information resources management operations and decisions are integrated with organizational planning, budget, financial, human resources management, and program decisions;

(B) develop and maintain an integrated, comprehensive and controlled process of information systems selection, development, and evaluation;

(C) in cooperation with the agency Chief Financial Officer (or comparable official), develop and maintain accounting and information technology expenditures, related expenses, and results; and

(D) establish goals for improving information resources management's contribution to program productivity, efficiency, and effectiveness, methods for measuring progress towards those goals, and clear roles and responsibilities for achieving those goals;

(4) in consultation with the Director, the Administrator of General Services, and the Archivist of the United States, maintain a current and complete inventory of the agency's information resources, including directories necessary to fulfill the requirements of section 3511 of this chapter; and

(5) in consultation with the Director and the Director of the Office of Personnel Management, conduct formal training programs to educate agency program and management officials about information resources management.

(c) With respect to the collection of information and the control of paperwork, each agency shall—

(I) establish a process within the agency headed by the official designated under subparagraph (a)(1)(A) that is sufficient to independently provide for the fair evaluation of whether proposed collections of information should be approved under this chapter, including—

(A) review each collection of information before submission to the Director for review under this chapter, including—

(i) an evaluation of the need for the collection of information;

(ii) a functional description of the information to be collected;

(iii) a plan for the collection of the information;

(iv) a specific, objectively supported estimate of burden;

(B) ensure that each information collection—

(i) is inventoried, displays a control number and, if appropriate, an expiration date;

(ii) indicates the collection is in accordance with the clearance requirements of section 3507; and

(C) contains a statement to inform the person receiving the collection of information—

(i) the reasons the information is being collected;

(ii) the way such information is to be used;

(iii) an estimate, to the extent practicable, of the burden of the collection; and

(iv) whether responses to the collection of information are voluntary, required to obtain a benefit, or mandatory;

(D) provide a full and accurate accounting of information technology expenditures, related expenses, and results; and

(E) to be implemented in a consistent and compatible, to the maximum extent practicable, with the existing reporting and other accounting practices of those who are to respond;

(F) contains the statement required under paragraph (d)(1)(B)(ii);

(G) has been developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected, including the processing of the information in a manner which shall enhance, where appropriate, the utility of the information to agencies and the public;

(H) uses effective and efficient statistical survey methodology appropriate to the purpose for which the information is to be collected; and

(I) to the maximum extent practicable, use information technology to reduce burden and improve data quality, agency efficiency and responsiveness to the public.

(6) make data available to statistical agencies and readily accessible to the public.

(f) With respect to records management, each agency shall—

(I) ensure the relevance, accuracy, timeliness, integrity, and objectivity of information collected or created for statistical purposes;

(ii) inform respondents fully and accurately about the sponsors, purposes, and uses of statistical surveys and studies;

(iii) protect respondents' privacy and ensure that disclosure policies fully honor the preferences of confidential survey respondents;

(iv) observe Federal standards and practices for data collection, analysis, documentation, sharing, and dissemination of information;

(v) ensure the timely publication of the results of statistical surveys and studies, including information about the quality and limitations of the surveys and studies; and

(vi) make data available to statistical agencies and readily accessible to the public.

(g) With respect to privacy and security, each agency shall—

(I) implement and enforce applicable policies, procedures, standards, and guidelines on privacy, confidentiality, security, disclosure and sharing of information collected or maintained by or for the agency;

(II) assume responsibility and accountability for compliance with and coordinated management of sections 552 and 552a of title 5, the Freedom of Information Act of 1966 (5 U.S.C. 552 note), and related information management laws; and

(III) comply with the Computer Security Act of 1987 (40 U.S.C. 759 note), identify and afford security protections commensurate with the risk and magnitude of the hazard resulting from the loss, misuse, or unauthorized access to or modification of information collected or maintained by or on behalf of an agency.

(h) With respect to Federal information technology, each agency shall—

(I) implement and enforce applicable Governmentwide and agency information technology management policies, principles, standards, and guidelines;

(II) assume responsibility and accountability for any acquisitions made pursuant to a decision of authority under section 311 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759); and

(III) promote the use of information technology by the agency to improve the productivity, efficiency, and effectiveness of agency programs, including the reduction of information collection burdens on the public and improved dissemination of public information.
(4) propose changes in legislation, regulations, and agency procedures to improve information technology practices, including changes that improve the ability of the agency to use technology to reduce burden; and

(5) establish, and be responsible for, a major information system initiative review process, which shall be developed and implemented by the information resources management committee established under subsection (a)(5) consistent with guidelines issued under section 3505(4), and include—

(A) the review of major information system initiative proposals and projects (including acquisitions of information technology), approval or disapproval of such each initiative, and a list of reviews of the development and implementation of such initiatives, including whether the projected benefits have been achieved;

(B) the vote of the committee of specified evaluative techniques and criteria to—

(i) assess the economy, efficacy, effectiveness, risks, and priority of system initiatives in relation to mission needs and strategies;

(ii) evaluate and verify life-cycle system initiative costs; and

(iii) assess system initiative privacy, security, records management, and dissemination and access capabilities; (C) the use, as appropriate, of independent cost evaluations of data developed under subparagraph (B); and

(D) the inclusion of relevant information about approved initiatives in the agency’s annual budget requests.

§ 3507. Public information collection activities; submission to Director; approval and delegation

(a) An agency shall not conduct or sponsor the information collection unless in advance of the adoption or revision of the collection of information—

(I) the agency has—

(A) conducted the review established under section 3506(c)(1);

(B) evaluated the public comments received under section 3506(c)(2); and

(C) submitted to the Director the certification required under section 3506(c)(3), the proposed collection of information, copies of pertinent statutory authority, regulations, and other related materials as the Director may specify; and

(D) published a notice in the Federal Register—

(i) stating that the agency has made such submission; and

(ii) setting forth—

(I) a title for the collection of information;

(II) a summary of the collection of information;

(III) a brief description of the need for the information and the proposed use of the information;

(IV) a description of the likely respondents and proposed frequency of response to the collection of information;

(V) an estimate of the burden that shall result from the collection of information; and

(VI) notice that comments may be submitted to the agency and Director;

(2) the Director has approved the proposed collection of information or approval has been deferred, under the provisions of this section; and

(3) the agency has obtained from the Director a control number to be displayed upon the collection of information.

(b) The Director shall provide at least 30 days for public comment prior to making a decision under subsection (c), (d), or (h), except as provided under subsection (j).
Director for review and approval under this chapter.

"(i)(1) If the Director finds that a senior official of an agency designated under section 3506(a) is sufficiently independent of program responsibility to evaluate fairly proposed collections of information that should be approved and has sufficient resources to carry out this responsibility effectively, the Director shall prescribe, in accordance with the notice and comment provisions of chapter 5 of title 5, United States Code, delegate to such official the authority to approve proposed collections of information in specific program areas, for specific purposes, or for all agency purposes.

"(2) A delegation by the Director under this subsection—

(i) may not preclude the Director from reviewing individual collections of information if the Director determines that circumstances warrant such a review. The Director shall retain authority to revoke such delegations, both in general and with regard to any specific matter. In acting for the Director, any official to whom approval authority has been delegated under this section shall comply fully with the rules and regulations promulgated by the Director.

(ii) The agency head may request the Director to withdraw a collection of information prior to expiration of time periods established under this chapter, if an agency head determines that—

(A) the collection of information—

(i) is needed prior to the expiration of such time periods; and

(ii) is essential to the mission of the agency; and

(B) the agency cannot reasonably comply with the provisions of this chapter within such time periods because—

(i) the agency is reasonably likely to result if normal clearance procedures are followed; or

(ii) an unanticipated event has occurred and the use of normal clearance procedures is reasonably likely to prevent or disrupt the collection of information related to the event or is reasonably likely to cause a statutory or court-ordered deadline to be missed.

"(2) The Director shall approve or disapprove any such authorization request within the time requested by the agency head and, if approved, shall assign the collection of information a control number. Any collection of information conducted under this subsection may be conducted without compliance with the notice and comment provisions of this chapter for a maximum of 90 days after the date on which the Director received the request to authorize such collection.

§ 3509. Designation of central collection agency

"The Director may designate a central collection agency to obtain information for two or more agencies if the Director determines that the needs of such agencies for information will be adequately served by a single collection agency, and such sharing of data is not inconsistent with applicable law. In such cases the Director shall prescribe (with reference to the collection of information) the duties and functions of the collection agency so designated and of the agencies for which such sharing of data is necessary. The Director may modify the designation from time to time as circumstances require. The author-ity to designate under this section is subject to the provisions of section 3507(f) of this chapter.

§ 3510. Cooperation of agencies in making information available

"(a) The Director may direct an agency to make available to another agency, or an agency may make available to another agency, information obtained by a collection of information if the disclosure is not inconsistent with applicable law.

"(b)(1) If information obtained by an agency is released by a new agency to another agency, all the provisions of law (including penalties which relate to the unlawful disclosure of information) apply to the officers and employees of the new agency to which the information is released to the same extent and in the same manner as the provisions apply to the officers and employees of the agency which originally collected the information.

"(2) The officers and employees of the agency to which the information is released, in addition, shall be subject to the same provisions relating to the unlawful disclosure of information as if the information had been collected directly by that agency.

§ 3511. Establishment and operation of Government Information Locator Service

"In order to assist agencies and the public in locating information and to promote information sharing and equitable access by the public, the Director shall—

"(1) cause to be established and maintained a distributed agency-based electronic Government Information Locator Service (herein referred to as the 'Service'), which shall identify the major information systems, holdings, and dissemination products of each agency;

"(2) require an agency to establish and maintain an agency information locator service as a component of, and to support the establishment and operation of the Service;

"(3) in cooperation with the Archivist of the United States, the Administrator General Services, the Public Printer, and the Librarian of Congress, establish an interagency committee to advise the Director on the development of technical standards for the Service to ensure compatibility, promote information sharing, and uniform access by the public;

"(4) consider public access and other user needs in the establishment and operation of the Service;

"(5) ensure the security and integrity of the Service, including measures to ensure that only information which is intended to be disclosed to the public is disclosed through the Service; and

"(6) periodically review the development and effectiveness of the Service and make recommendations for improvement, including other mechanisms for improving public access to Federal agency public information.

§ 3512. Public protection

"Notwithstanding any other provision of law, no person shall be subject to any penalty, or to any action, suit, or proceeding in a court of law, or to any civil or administrative proceeding, for disclosing information to or for any agency or person if the collection of information subject to this chapter—

"(1) does not display a valid control number on the form or document used to request information,

"(2) fails to state that the person who is to respond to the collection of information is not required to comply unless such collection of information is subject to a valid control number.

§ 3513. Director review of agency activities; reporting; agency response

"(a) In consultation with the Administrator of General Services, the Archivist of the United States, the Director of the National Institute of Standards and Technology, and the Director of the Office of Personnel Management, the Director shall periodically review selected agency information resources management activities to ascertain the efficiency and effectiveness of such activities to improve agency performance and the accomplishment of agency missions. Each agency having activity reviewed under subsection (a), shall, within 60 days after receipt of a report on the review, provide a written plan to the Director describing steps (including milestones) to—

"(1) be taken to address information resources management problems identified in the report; and

"(2) improve agency performance and the accomplishment of agency missions.

§ 3514. Responsiveness to Congress

"(a)(1) The Director shall—

"(A) keep the Congress and congressional committees fully and currently informed of the major activities under this chapter; and

"(B) submit a report on such activities to the President of the Senate and the Speaker of the Representatives annually and at such other times as the Director determines necessary.

"(2) The Director shall include in any such report a description of the extent to which agencies have—

"(A) reduced information collection burdens on the public, including—

(i) a summary of improvements and planned initiatives to reduce collection of information burdens;

(ii) a list of all violations of this chapter and of any rules, guidelines, policies, and procedures issued pursuant to this chapter; and

(iii) a list of any increase in the collection of information by the public as a result of such improvements and planned initiatives to reduce collection of information burdens;

(B) improved the quality and utility of statistical information;

(C) improved public access to Government information; and

(D) improved program performance and the accomplishment of agency missions through information management.

"(b) The preparation of any report required by this section shall be based on performance results reported by the agencies and shall take into account the recommendations of the Director that burdens on persons outside the Federal Government.

§ 3515. Administrative powers

"Upon the request of the Director, each agency (other than an independent regulatory agency) shall, to the extent practicable, make its services, personnel, and facilities available to the Director for the performance of functions under this chapter.

§ 3516. Rules and regulations

"The Director shall promulgate rules, regulations, or procedures necessary to exercise the authority provided by this chapter.

§ 3517. Consultation with other agencies and the public

"(a) In developing information resources management policies, plans, rules, regulations, procedures, and guidelines and in reviewing collections of information, the Director shall provide interested agencies and
persons early and meaningful opportunity to comment.

"(b) Any person may request the Director to review any collection of information conducted by or for an agency to determine, if, under this chapter, a person shall make the request, provide, or disclose the information to or for the agency. Unless the request is frivolous, the Director shall, in coordination with the agency responsible for the collection of information, respond to the request within 60 days after receiving the request, unless such period is extended by the Director to a specified date, and the person making the request is given notice of such extension; and

"(2) take appropriate remedial action, if necessary.

§ 3518. Effect on existing laws and regulations

(a) Except as otherwise provided in this chapter, the authority of an agency under any other law to prescribe policies, rules, regulations, and procedures for Federal information resources management activities is subject to the authority of the Director under this chapter.

(b) Nothing in this chapter shall be deemed to affect or reduce the authority of the Secretary of Commerce or the Director of the Office of Management and Budget pursuant to Reorganization Plan No. 1 of 1977 (as amended) and Executive order, relating to telecommunications and information systems, spectrum use, and related matters.

(c)(1) Except as provided in paragraph (2), this chapter shall not apply to the collection of information

(A) during the conduct of a Federal criminal investigation or prosecution, or during the disposition of a particular criminal matter;

(B) during the conduct of

(i) a civil action to which the United States or any official or agency thereof is a party; or

(ii) an administrative action or investigation involving an agency against specific individuals or entities;

(C) by compulsory process pursuant to the Antitrust Civil Process Act and section (a) of this section.

(b)(1) No funds may be appropriated pursuant to subsection (a) unless such funds are appropriated in an appropriation Act (or continuing resolution) which separately and expressly states the amount appropriated pursuant to subsection (a) of this section.

"(2) Any new funds appropriated under this chapter shall not apply to the collection of information

(A) during the conduct of a Federal crime.

(B) during the conduct of

(i) a civil action to which the United States or any official or agency thereof is a party; or

(ii) an administrative action or investigation involving an agency against specific individuals or entities;

(C) by compulsory process pursuant to the Antitrust Civil Process Act and section (a) of this section.

(d) The provisions of this Act and the amendments made by this Act shall take effect on June 30, 1995.

S. 244, THE 'PAPERWORK REDUCTION ACT OF 1995'--SUMMARY

The "Paperwork Reduction Act of 1995" will

Reaffirm the fundamental purpose of the Paperwork Reduction Act of 1980 to minimize the Federal paperwork burdens imposed on individuals, small businesses, State and local governments, educational and non-profit institutions, and Federal contractors.

Provide a five-year authorization of appropriations for the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget, the paperwork "watchdog" under the Act.

Clarify that the Act's public protections apply to all Government-sponsored paperwork, eliminating any confusion over the treatment of "Government-sponsored paperwork burdens" (those imposed by one private party on another private party due to a Federal regulation), caused by the U.S. Supreme Court's 1999 decision in Dole v. United Steelworkers of America.

Seek to reduce the paperwork burdens imposed on the public through an annual Government-wide paperwork reduction goal of 5 percent.

Emphasize the fundamental responsibilities of each Federal agency to minimize paperwork burdens and foster paperwork reduction, by requiring

a thorough review of each proposed collection of information for need and practical utility, the Paperwork Reduction Act's fundamental standards, which enables an agency to collect needed information while minimizing the burden imposed on the public; agency plans and measures the use of information already collected by the public; better notice and opportunity for public participation with at least a 60-day comment period for each proposed paperwork requirement; agency certification of compliance with public participation requirements and the Act's fundamental standards of need and practical utility for each proposed paperwork requirement; and

OIRA for review, approval and assignment of a control number clearance; and

Strengthen OIRA's responsibilities in the fight to minimize paperwork burdens imposed on the public, by

empowering OIRA to establish standards under which Federal agencies can more accurately estimate the burden placed upon the public by a proposed paperwork requirement;

working with the Office of Federal Procurement Policy (OFPP) to reduce the substantial paperwork burdens associated with Government contracting; and

Empower the public further in the paperwork reduction fight by enabling an individual agency or an agency activity to be consistent with the Government-wide Federal Acquisition Regulation.

Improve the Government's ability to manage the effective use of the information collected from the public by

specifying responsibilities of individual agencies regarding information resources management (IRM);

enhancing OIRA's responsibility and authority for establishing Government-wide IRM policy;

Strengthening policy linking information technology (IT) budgeting and IRM decision-making to agency program performance, consistent with "Best Practices" studies conducted by the U.S. General Accounting Office.

Strengthen OIRA's leadership role in Federal statistical policy.

THE PAPERWORK REDUCTION ACT COALITION

Aerospace Industries Association of America.
Air Transport Association of America.
Allen of America.
American Consulting Engineers Council.
American Institute of Merchant Shipping.
American Iron and Steel Institute.
American Petroleum Institute.
American Subcontractors Association.
American Telephone and Telegraph.
Associated Builders & Contractors.
Associated Credit Bureaus.
Associated General Contractors of America.
Association of Manufacturing Technology.
Association of Records Managers and Administrators.
Automotive Parts and Accessories Association.
Biscuit and Cracker Manufacturers' Association.
Bristol Myers.
Chemical Manufacturers Association.
Chemical Specialties Manufacturers Association.
Citizens Against Government Waste.
Citizens For A Sound Economy.
Computer and Business Equipment Manufacturers Association.
Contract Services Association of America.
Copper & Brass Fabricators Council.
Dairy and Food Industries Supply Association.
Direct Selling Association.
Eastman Kodak Company.
Electronic Industries Association.
Financial Executive Institute.
Food Marketing Institute.
January 19, 1995
CONGRESSIONAL RECORD -- SENATE S 1217
Mr. ROTH. Mr. President, I am pleased to join today with the distinguished gentleman from Georgia [Senator Nunn] in introducing the Paperwork Reduction Act of 1995. Last year, this legislation, after thorough consideration by the Committee on Governmental Affairs, was reported unanimously and then passed the Senate on two different occasions, also unanimously.

This legislation is part of the Contract With America. While the contract contains the original version which Senator Nunn and I introduced in the last Congress, we believe that the new House leadership would be receptive to the improved version we are today introducing. I am hopeful that the Senate will take the lead once again in passing this legislation. As chairman of the Committee on Governmental Affairs, I intend to process this legislation quickly, and ask my colleagues on the committee to join with Senator Nunn, Senator Glenn, and myself in this effort.

I would hope that this legislation could be acted on this month to become the third Governmental Affairs bill in this young session to be considered on the floor.

This legislation enjoys widespread support among the business community, both big and small, as well as among state, local, and tribal governments and the people—all who bear the burden of Federal Government paperwork collections. This legislation strengthens the paperwork reduction aspects of the 1980 act and directs OIRA to reduce paperwork burdens on the public by 5 percent annually. By overturning the 1990 Supreme Court decision in Dole versus United Steelworkers of America, it extends the jurisdiction of the act by 50 percent. One could thus expect the burden-saving results of this legislation to be substantial.

The Committee on Governmental Affairs has broad jurisdiction over subjects of paperwork burdens, information technology, and regulations. No single piece of legislation can adequately deal with all facets of those subjects. This legislation is not the last that
will be addressed on those subjects by the committee.

On February 1, 1995, the committee will hold a hearing on the Government’s use of information technology as part of the Committee’s Reinventing Government effort.

On February 8, 1995, the committee will begin a set of hearings on the broad subject of regulatory reform.

Mr. GLENN. Mr. President, it gives me great pleasure to join with my colleagues from the Government Affairs Committee, Senator Nunn and Senator Roth, to sponsor our bipartisan legislation to reauthorize the Paperwork Reduction Act. The legislation we introduce today reflects the compromise we achieved in the last Congress, which the Senate passed by a unanimous vote on October 6, 1994. I am confident that this bill will once again be passed by the Senate and then move quickly in the House.

This legislation has two very important and closely related purposes. First, the Paperwork Reduction Act is vital to reducing Government paperwork burdens on the American public. Too often, individuals and businesses are burdened by having to fill out questionnaires and forms that are not necessary to implement the laws of the land. Too much time and money is wasted in an effort to satisfy bureaucratic excess. The Paperwork Reduction Act of 1980 created a clearance process to control this Government appetite for information. The Paperwork Reduction Act of 1995 strengthens this process and will reduce the burdens of Government redtape on the public.

Second, the act is key to improving the efficiency and effectiveness of Government information activities. The Federal Government is now spending over $25 billion a year on information technology. The new age of computers and telecommunications provides many opportunities for improvements in Government operations. Unfortunately, according to our committee and others has shown, the Government is wasting millions of dollars on poorly designed and often incompatible systems. This must stop. The Paperwork Reduction Act of 1980 took a first step on this road to reform when it created the Government Information Resources Management [IRM] policies to be overseen by OMB. The Paperwork Reduction Act of 1995 strengthens that mandate and establishes new requirements for agency IRM improvements.

In these and other ways, this legislation strengthens the Paperwork Reduction Act and reflects the concerns of a broad array of Senators. As my colleagues know, I have been working for several years to reauthorize this important act. I am very pleased with the result. With this legislation, we:

Reauthorize the act for 5 years;

Overtake the Dole versus United Steelworkers Supreme Court decision, so that information disclosure requirements are covered by the OMB paperwork clearance process;

Require agencies to evaluate paperwork proposals and solicit public comment on them before the proposals go to OMB for review;

Create additional opportunities for the public to participate in paperwork clearance and other information management decisions;

Strengthen agency and OMB information resources management [IRM] requirements;

Establish information dissemination standards and require the development of a government information locator service [GILS] to ensure improved public access to government information, especially that maintained in electronic format; and

Make other improvements in the areas of government statistics, records management, computer security, and the management of information technology.

These are important reforms. They are the result of over a year long process of consultation among members of the Governmental Affairs Committee, the Government Accountability Office, the General Accounting Office. Of course, reaching agreement on this legislation has involved compromises that displease some. It may also not completely resolve conflicting views on many of the OMB paperwork and regulatory review controversies that have dogged congressional oversight of the Paperwork Reduction Act. But again, this legislation is a compromise that addresses many important issues and will help the Government reduce paperwork burdens on the health care reform effort, improve the management of Federal information resources. I believe this is a very good compromise that can and should pass both the Senate and the House. I urge my colleagues to support this legislation.

By Mr. COHEN (for himself, Mr. DOLE, Mr. SIMPSON, Mr. STEVENS, Mr. GRAMM, Mr. GRAHAME, Mr. COATS, Mr. GREGG, Mr. WARNER, Mr. NICKLES, Mr. PRIYOR, Mr. BOND, Mr. CHAFFEE, Mr. FORD, and Mr. DOMENICI):

S. 245. A bill to provide for enhanced penalties for health care fraud, and for other purposes; to the Committee on Finance.

THE HEALTH CARE FRAUD PREVENTION ACT of 1995

Mr. COHEN. Mr. President, I rise today to introduce, on behalf of myself, Senator Nunn, Senator Roth, Mr. STEVENS, Mr. D’AMATO, GRAHAM of Florida, COATS, GREGG, WARNER, NICKLES, PRIYOR, CHAFFEE, BOND, and FORD, the Health Care Fraud Prevention Act of 1995.

Mr. President, health care reform has now taken a back seat to some other controversies that are now before the Congress, as our colleagues in the House debate their Contract With America provisions and this body debates unfunded mandates, a balanced budget amendment, and entitlement reform. Apparently health care reform is going to have to wait. But I must say that it is just as important as these other issues as far as the American people are concerned. But as we await the debate on health care reform, which I believe must come this session, we also have to take steps immediately to toughen our defenses against fraudulent practices that are driving up the cost of health care for families, businesses and taxpayers alike.

You may recall that last year I introduced a measure which contained some additions to the criminal law provisions of our title 18 statutes. Those provisions were adopted unanimously by the Senate. They were sent over to the House where we were able to take out of the antitrust bill at conference because the majority rationalized that these provisions should not go on the crime bill but on a health care reform bill. As we know, there was no health care reform bill passed last year.

On a number of occasions, I sought to attach the provisions to pending legislation, for example, the D.C. appropriations bill and the Labor, HHS appropriations bill. I was prevailed upon to withdraw the legislation at that time so that we allow the appropriations bills to go forward. And I pointed out at that time, which was at the conclusion of last year’s session of Congress, that we would lose as much as $100 billion a year due to health care fraud and abuse. That amounts to $275 million a day or $1.5 million a single hour.

Mr. President, I do not think we can afford to delay this any longer. Over the past 5 years, we have lost as much as $418 billion from health care fraud and abuse, which is approximately four times the total losses associated with the savings and loan crisis.

I just imagine the furor that enveloped this country over the bailout necessary because of the savings and loan problems that afflicted this country. It is four times that as far as health care is concerned, and it does not seem to be much of a sense of urgency on the part of our colleagues to do much about it.

Mr. President, I have worked with the J. Justice Department, the FBI, Medicaid fraud units, inspectors general, and others in developing this legislation. As I pointed out last year there is a song, I think it was by Paul Simon—not our PAUL SIMON but the song writer Paul Simon—who had a song called ‘Fifty Ways To Leave Your Lover.’ We showed through an Aging Committee’s year-long investigation at least 50 ways in which to pick the pockets of Uncle Sam and of private insurers.

I will not, because of the length of the report, introduce it now into the RECORD. I will simply ask unanimous consent that a copy of my remarks the executive summary of this year-long investigation be introduced in the RECORD and included as part of it.

Let me simply add a few more examples of the kinds of activities that are taking place now while we are debating
against health care fraud. It is the minority who are taking as much as $100 billion out of the system.

Let me give you examples of what is going on. A doctor promoted his clinic in television, radio, newspaper, and telephone book ads as a “one-stop, walk-in diagnostic center.” You can walk in, and they can take care of any problem you have got. So a person might go in for an examination for a shoulder injury and be subjected to a huge battery of tests which have nothing to do with the shoulder, resulting in bills of $4,000 and more per patient.

Using the names of dozens of dead patients, a phantom laboratory in Miami allegedly cheated the Government out of $300,000 in Medicare payments in a matter of just a few weeks for lab tests never performed by the lab that submitted the bills. The tests were basically a rented mailbox and a Medicare billing number. That was it.

Employees of an airline were indicted for filing false and fraudulent claims for reimbursement to a private insurance company for medical care and services they claimed to have received in another country. The allegations are that the employees attempted to mail false and fictitious forms totaling close to $600,000 for treatments and services never performed.

A durable medical equipment company, its owner and sales manager pled guilty to supplying unnecessary medical equipment such as hospital beds and oxygen concentrators to residents of nursing homes and other living facilities and then billing Medicare for more than $600,000. These conspirators induced the facilities’ managers to allow them to provide the equipment by promising to leave the equipment when the patients died or were transferred.

Physician-owners of a clinic in New York stole over $1.3 million from the State Medicaid program by fraudulently billing for over 50,000 phantom psychotherapy sessions never given to Medicaid recipients; 50,000 “phantom” psychotherapy sessions stole over $1.3 million from the State Medicaid program by fraudulently billing for over 50,000 “phantom” psychotherapy sessions never given to Medicaid recipients; 50,000 “phantom” psychotherapy sessions stolen from the State Medicaid program by fraudulently billing for over 50,000 “phantom” psychotherapy sessions never given to Medicaid recipients.

Our investigation revealed that a speech therapist submitted false claims to Medicare for services “rendered to patients” several days after they had died; a speech therapist submitted false claims to Medicare for services “rendered to patients” several days after they had died.

Give prosecutors stronger tools and tougher statutes to combat criminal health care fraud. It would, for example, provide a specific health care offense in title 18 so that prosecutors are not forced to spend excessive time and resources to develop a nexus to the mail or wire fraud statutes to pursue perpetrators who set up clear cash-flow from health care schemes in order to prosecute under money laundering statutes.

It will allow injunctive relief and forfeiture for criminal health care fraud; provide greater authority to exclude violators from Medicare and Medicaid programs; create tough administrative civil penalties and remedies for fraud and abuse and so that a range of sanctions will be available; and coordinate enforcement programs and beef up investigatory resources, which are now woefully inadequate. For example, the HHS inspector general states that it produces $80 in savings for each Federal dollar invested in its office yet at my own request the enforcement program’s level has actually decreased over the last few years.

The FBI recently testified that they have over 1,300 cases pending but that regardless of this prioritization, the amount of health care fraud not being addressed due to a lack of available resources is growing and that health care fraud appears to be a problem of immense proportion which is presently not being fully addressed.

I might point out we have been reading about the extent of global international crime, even all the way from Russia, now moving into this country and ripping off the Medicare-Medicaid Programs and other health care systems by the billions. This is a growing problem of great concern to me, so the FBI needs help. This bill helps agencies like the FBI and HHS and DOD inspectors general by financing additional health care fraud enforcement resources, proceeds derived from forfeiture, fines, and other health care fraud enforcement efforts.

It will also provide guidance to health care providers and industries on how to comply with fraud rules, so they will know what is and what is not prohibited activity.

I have worked closely with law enforcement and health care fraud experts in developing these proposals, and I want to continue to work with industry representatives that fraud and abuse statutes and requirements are fair, clearly understood by health care providers, and reflect the changing health care market. Our goal should be to remove health care providers with complicated, murky rules on fraud and abuse, but rather to lay down clear rules and guidance, followed by tough enforcement for violations.

Mr. President, when we are losing as much as $275 million per day to health care fraud and abuse, we cannot afford to delay any longer. The only ones who benefit from delay on this important issue are those who are bilking billions from our system. The very big losers will be the American taxpayers, patients, and families who cannot afford health care coverage because premiums and health care costs are escalating to cover the exorbitant costs of fraud and abuse.

I want to thank Senator Dole for his steadfast support and leadership on this issue and I urge my colleagues to support and act expeditiously on this legislation.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed.

EXECUTIVE SUMMARY

GAMING THE HEALTH CARE SYSTEM: BILLIONS OF DOLLARS LOST EACH YEAR TO FRAUD AND ABUSE

For the past year, the Minority Staff of the Senate Special Committee on Aging under my direction has been studying the explosion of fraud and abuse in the U.S. health care system. This report examines emerging trends, patterns of abuse, and types of tactics used by fraudulent providers with proceeds derived from for-profit companies. The consequences of fraud and abuse to the health care system are staggering: as much as 10 percent of U.S. health care spending, or $100 billion, is lost each year to health care fraud and abuse.

The consequences of fraud and abuse to the health care system are staggering: as much as 10 percent of U.S. health care spending, or $100 billion, is lost each year to health care fraud and abuse. Over the last five years, estimated losses from these fraudulent activities totaled about $405 billion—or almost four times as much as the cost of the entire savings and loan crisis to date.

Our investigation revealed that vulnerabilities to fraud exist throughout the entire health care system and that patterns of fraud within some provider groups have become particularly problematic. Major patterns of abuse that plague the system are: (1) overbilling, billing for services not rendered, “unbundling” (whereby one item, for example a wheelchair, is billed as many separate components, two people receiving the service receive higher reimbursements, providing inferior products to patients, paying kickbacks and inducements for referrals of patients, (2) claims and information used to fraudulently certify an individual for government benefits, and billing for “ghost” patients, “phantom” sessions or services.

This report provides 50 case examples of scams that have recently infiltrated our health care system. While these are but a small sampling of schemes that were reviewed, this information is meant to illustrate how our health care system is rife with abuse, and how Medicare, Medicaid, and private insurers have left their doors wide open to fraud.

Patients—and, in the case of Medicare and Medicaid, taxpayers—pay a high price for health care fraud and abuse in the form of higher health care costs, higher premiums, and at times, serious risks to patients’ health and safety. For example.

Physician-owners of a clinic in New York stole over $1.3 million from the State Medicare program by fraudulently billing for over 50,000 “phantom” psychotherapy sessions never given to Medicaid recipients; a speech therapist submitted false claims to Medicare for services “rendered to patients” several days after they had died;
A health care system was said to consume more than $46 billion from Medicaid and Medicare by cheating, providing a federal health care program with billions of dollars in losses each year. The problem is exacerbated by the reliance on managed care schemes, which have been shown to increase fraud and abuse when law enforcement shuts down a fraudulent scheme, the same players resurface and continue their fraud in another part of the health care system.

As we revise the health care system, give guidance to health care providers on how to do business properly and how to avoid fraud. We must not wait to fix these serious problems in the health care system until we see the costs in billions and trillions of dollars. The Cohen legislation establishes an improved coordinated federal effort to combat fraud and abuse in our health care system. It will pay a higher reimbursement rate; it will pay a higher reimbursement rate; and it will pay a higher reimbursement rate.

FINDINGS OF INVESTIGATION

Deficiencies in the current system expose billions of health care dollars to fraud and abuse

A. Current Criminal and Civil Statutes Are Inadequate to Effectively Sanction and Deter Health Care Fraud

Federal prosecutors now use traditional fraud statutes, such as the mail and wire fraud statutes, the False Claims Act, false statements statute, and money laundering statute to prosecute health care fraud. Our investigation found that the lack of a specific federal health care fraud criminal statute, inadequate forensic tools, and weak sanctions have significantly harmed law enforcement’s efforts to combat health care fraud. Inordinate time and resources are needed to bring these cases to trial under indirect federal statutes. Often, even when law enforcement shuts down a fraudulent scheme, the same players resurface and continue their fraud in another part of the health care system.

This cumbersome federal response to health care fraud has resulted in a system whereby the mouse has outsmarted the mousetrap. Those defrauding the system are ingenious and motivated, while the government and private sector responses to these perpetrators have not kept pace with the sophistication and extent of those they must pursue.

B. The Fragmentation of Health Care Fraud Enforcement Allows Fraud to Flourish

Despite the multiplicity of Federal, State and local law enforcement agencies, and private health insurers and health plans involved in the investigation and prosecution of health care fraud, these enforcement efforts are uncoordinated, allowing some health care fraud to permeate the system. While some strides have been made in coordinating law enforcement efforts, immediate steps must be taken to streamline and toughen our response to health care fraud.

RECOMMENDATIONS

Based on our investigation and findings, we recommend the following to reduce fraud and abuse throughout the health care system:

1. Establish an all-payer fraud and abuse program to coordinate the functions of the Inspector General of Health and Human Services, and other organizations, to prevent, detect, and control fraud and abuse; to coordinate investigations; and to share data and resources with Federal, State and local law enforcement and health plans.

2. Establish an all-payer fraud and abuse trust fund to finance enforcement efforts. Fines, penalties, assessments, and forfeitures collected from health care fraud offenders would be deposited in this fund, which would in turn be used to fund additional investigations, audits, and inspections.

3. Toughen federal criminal laws and enforcement tools for intentional health care fraud.

4. Improve the anti-kickback statute and extend prohibitions of Medicare and Medicaid to private payers.

5. Provide a greater range of enforcement remedies to private sector health plans, such as civil penalties.

6. Establish a national health care fraud data base which includes information on final adverse actions taken against health care providers. Such a data base should contain strong safeguards in order to ensure the confidentiality and conformance of the information data contained in the data base.

7. Design a simplified, uniform claims form for reimbursement and an electronic billing system, with tough anti-fraud controls incorporated into these designs.

8. Take several steps to better protect Medicare from fraudulent and abusive providers:

   a. Require the Health Care Finance Administration to review and revise its billing codes for supplies, equipment and services in order to guard against egregious overpayments for inferior quality items or services; and

   b. As we revise the health care system, give guidance to health care providers on how to do business properly and how to avoid fraud. We must not wait to fix these serious problems in the health care system until we see the costs in billions and trillions of dollars. The Cohen legislation establishes an improved coordinated federal effort to combat fraud and abuse in our health care system. It will pay a higher reimbursement rate; it will pay a higher reimbursement rate; and it will pay a higher reimbursement rate.

   c. As we revise the health care system, give guidance to health care providers on how to do business properly and how to avoid fraud. We must not wait to fix these serious problems in the health care system until we see the costs in billions and trillions of dollars. The Cohen legislation establishes an improved coordinated federal effort to combat fraud and abuse in our health care system. It will pay a higher reimbursement rate; it will pay a higher reimbursement rate; and it will pay a higher reimbursement rate.
Section 102. Application of Certain Federal Health Anti-Fraud and Abuse Sanctions to All Felony Convictions: The Secretary could also consider community service opportunities.

Section 103. Permissive Exclusion of Individuals with Ownership or Control Interest in Sanctioned Entities: Some of the current permissive exclusions are "derivative" exclusions, that is, they are based on an action previously taken by a court, licensure board, or other agency. Current law allows permissive exclusion authority for entities when a conviction has ownership control or agency relationship with such entity. However, if an entity rather than an individual is convicted under Medicare fraud, the IG has no authority to exclude the individuals who own or control the entity and who may really have been behind the fraud. This creates a loophole whereby an individual who is actually behind the fraud can avoid being excluded from the programs by persuading the prosecutor to dismiss his indictment in exchange for having the corporation plead guilty or pay fines. The bill would extend the current permissive exclusion authority for entities controlled by a sanctioned individual to individuals with control interest in sanctioned entities.

Section 205. Intermediate Sanctions for Medicare Health Maintenance Organizations: The Secretary would be able to impose civil monetary penalties on Medicare-qualified HMOs for violations of Medicare contracting requirements.

Section 301. Establishment of the Health Care Fraud Abuse Control Program: The Secretary would create a comprehensive national data collection program for the reporting of information about final adverse actions against health care providers, suppliers, or licensed practitioners including criminal convictions, exclusions from participation in Federal and State programs, civil monetary penalties and license revocations and suspensions.

Section 401. Civil Monetary Penalties: The provisions under Medicare and Medicaid which provide for civil monetary penalties for certain violations relating to controlled substances.

Section 402. Criminal Penalties: Requires the court, in imposing a sentence on a person convicted of a Federal health care offense, to order the forfeiture of any property used in the all-payer fraud abuse control program.

Section 501. Health Care Fraud: Establishes a new health care fraud statute in the criminal code. Provides a penalty of up to 20 years imprisonment, or a fine not exceeding $1 million, or both, for knowingly executing a scheme to defraud a health plan in connection with the delivery of health care services, as well as for obtaining or arranging healthcare benefits under false pretenses from a health plan. This section is patterned after existing mail and wire fraud statutes.

Section 502. Forfeitures for Federal Health Care Offenses: Provides that the court, in imposing a sentence on a person convicted of a Federal health care offense, to order the forfeiture to the United States of property used in commission of an offense if it results in a loss or gain of $50,000 or more and constitutes or is derived from proceeds traceable to the commission of the offense.

Section 503. Injunctive Relief Related to Federal Health Care Offenses: This provision expands the scope of the current injunctive relief section by adding the commission of a health care offense, which includes the Attorney General to commence a civil action to enjoin such violation as well as to freeze assets.

Section 504. Grand Jury Disclosure: This provision allows the disclosure of grand jury information to federal prosecutors to use in a civil proceeding relating to health care fraud.

Section 505. False Statements: Provides penalties for making false statements relating to health care matters.

Section 506. Voluntary Disclosure Program: Creates a program to provide an incentive for disclosure of violations and wrongdoings.

Section 507. Creation of National Database of Convictions: Provides a penalty for the obstruction of criminal investigations of federal health care offenses.

Section 508. Theft or Embezzlement: Establishes a statute that provides penalties for the willful embezzlement or theft from a health care benefit program.

Section 509. Laundering of Monetary Instruments: Provides that a federal health care offense is a predicate to current money laundering statutes.

Section 601. Payments for State Health Care Fraud Control Units: Provides language to establish state health care provider fraud control units modeled on the current federal Medicaid units. The jurisdiction of these units would be expanded to include investigation and prosecution of provider fraud in other federally-funded programs. The proposed legislation also allows the states to choose whether to conduct investigations and prosecutions for patient abuse related crimes occurring in assisted living and care facilities and other alternative settings.

The HHS Inspector General would continue oversight and the state units would detect and report activities in their grant applications. This section also contains a recitation of the units' original authorization language as currently contained in the Social Security Act. It also allows the states to participate in the all-payer fraud abuse control program.

Mr. DOLE. Mr. President, I want to take a few moments to express my support for the Health Care Fraud Prevention Act of 1995, which was introduced earlier today by my distinguished colleague from Maine, Senator COHEN.
In addition, the act directs the Attorney General and the Secretary of Health and Human Services to establish a coordinated national health care fraud control program. Under this program, both the Secretary and the Attorney General would be authorized to conduct investigations and audits of health care delivery systems. To pay for these investigations, the act establishes a “Health care fraud and abuse control account.” Criminal and civil fines imposed on violators would be deposited into the account and then used to finance future law enforcement efforts.

Of course, the vast majority of health care providers are good people committed to the well-being of their patients. Their hard work and commitment should not be tarnished in any way by those few bad apples who attempt to game the health care system for their own personal benefit. This legislation won’t put an end to the health care fraud racket, but it will help to ensure that our law enforcement authorities have the tools to get the job done.

Notably, the Health Care Fraud Prevention Act was crafted with the help of law enforcement officials, including officials at both the FBI and the Department of Justice.

Finally, I want to commend my distinguished colleague from Maine for bringing this important issue to the attention of the Senate. Today’s legislation is the product of a 2-year ongoing investigation conducted by the staff of the Special Committee on Aging. And last year, Senator Cohen successfully offered many of the provisions contained in this bill as an amendment to the 1994 Crime-Control Act. Unfortunately, the amendment was dropped in conference.

To his credit, Senator Cohen has continued to speak out on this issue, and I fully expect that his persistence will pay off later this year when the Senate has an opportunity to consider this important legislation.

Mr. DORGAN. Mr. President, let me say a word to my friend from Maine, the work he has done on this issue in Medicare fraud is extraordinary work. During the period between the end of the last session and the beginning of this session, I saw some of the reports about Medicare fraud. I bothered to once again review the work he did in the last session, the bill he introduced in the last session on this issue. I hope we make progress on this issue that he is leading on, in this session of the Senate, because I think what he is doing is very important. There is too much fraud. This fact is, we are not detecting enough of it and not prosecuting enough of it vigorously, so I support his efforts and thank him for making those reports.

Mr. PRYOR. Mr. President, I rise to support S. 245, the Health Care Fraud Prevention Act of 1995. Health care fraud and abuse in our health care system is draining billions of dollars a year from American families, businesses, and government. The Department of Justice and other experts have estimated that somewhere between 10 percent of our national health care bill is lost to fraud and abuse. Every dollar stolen from the health care system—be it from Medicare, Medicaid, or a private health care plan—means one less dollar for patient care or for lower insurance premiums. With health care costs still escalating, the last thing we need to be doing is allowing criminals to steal from the system.

Fraud also tarnishes the good names of honest health care professionals and companies. While the vast majority of providers are honest and hard working, the crooks cast a cloud over the entire health care system.

Mr. President, there are too many examples of fraud in our health care system. For example, seven New York physicians were recently excluded from the New York Medicaid program for their part in a scheme that stole over $8 million from the program. As part of this Medicaid fraud scheme, indigent individuals would be prescribed unnecessary medical need for prescription drugs would enter the doctors’ clinics and obtain prescriptions for expensive drugs. They, in turn, would resell the prescriptions to people on the street. In exchange for the prescriptions, the “patients” would subject themselves to unnecessary medical tests and procedures for which Medicaid could then be fraudulently billed.

In other cases, it is not so clear that there has been fraud, but rather that a health care plan has been taken advantage of. As an example, I received a letter from a constituent of mine, J ennie H., not too long ago. J ennie wrote that Medicare had paid a medical supplier $2,136 for 300 adult incontinence pads that were delivered to her mother. That works out to almost $7.12 for each pad, far more than what they would cost at the drug store.

Much studying has been on the health care fraud problem in recent years, and I have been doing it for the last year by my friend from Maine, Senator Cohen, the incoming chairman of the Senate Special Committee on Aging, reports by the General Accounting Office, the HHS inspector general, and congressional committees have also documented the extent and range of the problem. They have detailed abuses ranging from the billing of services never provided to the illegal sale of controlled substances.

This is a subject about which I too have long been concerned. When I was chairman of the Senate Special Committee on Aging, I held several hearings on fraud and abuse in the health care system. In addition, the health care bill reported out of the Finance Committee included an anti-fraud provision that I helped develop.

Mr. President, now is the time to take action against health care fraud. While I would have preferred to see the health care fraud problem addressed as part of health care reform, it is clear that we cannot wait for that to happen. Each day we wait by those criminals lighters the authority and tools they need to combat fraud in a coordinated and effective manner means millions of wasted health care dollars.

The bill which I have joined Senator Cohen in sponsoring today represents a balanced, bipartisan approach to combating health care fraud and takes the best provisions common to the bills debated last year, such as the President’s proposal. It establishes an improved, coordinated effort to combat fraud and expands existing criminal and civil penalties for health care fraud to provide a stronger deterrent to the billing of fraudulent claims and to eliminate waste in our health care system. I encourage my colleagues to support this legislation.

By Mr. LIEBERMAN:
S. 246. A bill to establish demonstration projects to expand innovations in State administration of the aid to families with dependent children under title IV of the Social Security Act, and for other purposes; to the Committee on Finance.

THE WELFARE REFORMS THAT WORK ACT

Mr. LIEBERMAN. Mr. President, today I am introducing the Welfare Reform that Works Act of 1995. The welfare system is in crisis. The United States has one of the most expensive welfare systems in the world. But 20 percent of America’s children are poor, a higher percentage than any other industrialized country. The welfare system is a disaster for those on it and those who pay for it.

This Congress has a historic opportunity to begin to fix this disaster. The primary welfare program—Aid to Families With Dependent Children [AFDC]—was vowed by those participating in it and those paying for it as a failure. It is failing at its primary task, moving people into the work force. Worse yet, it is contributing to the cycle of poverty. By rewarding single parents, it encourages marriage, and have additional children out of wedlock, the current system demeans our most cherished values and deepens society’s most serious problems. Democrats, Republicans, and the American public agree that the system must be changed.

But little consensus exists on how best to reform the system so that it promotes work and family. Last year both President Clinton and Republicans in Congress proposed legislation that would impose time limits and work requirements on welfare recipients and would begin to turn welfare incentives around. But in this Congress some have gone further. The Republican Contract With America proposes, among other things, to deny benefits abruptly for teenage mothers who have children out of wedlock. More recently some Members have advocated giving the States total control of AFDC and other Federal welfare programs, ending
the entitlement status of these programs, and capping Federal outlays. While I believe that each of these ideas should be tested to see if they will produce better results than the current failed welfare system, I cannot support mandating any of them nationally because no one knows whether they work. Congress does them nationally and they do not work.

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The title seeks to address what is perhaps the most compelling and difficult challenge of welfare reform, to discourage out-of-wedlock births without harming children. An increasing percentage of those entering the welfare system are never-married mothers at greatest risk of long-term welfare dependency. Since the 1960s, families headed by unwed mothers accounted for about four-fifths of the growth in people on welfare, and at least 40 percent of never-married mothers receiving AFDC remain in the system for 20 years or more.

Never-married teen parents are particularly likely to fall into long-term welfare dependency. More than one half of welfare spending goes to women who first gave birth as teens. As William Raspberry noted last winter in a Washington Post column aptly entitled “Out of Wedlock, Out of Luck,” children born to parents who had their first child out-of-wedlock before they finished high school and reached the age of 20 have a “guaranteed lifetime of poverty.” In other words, they and their parents are almost guaranteed a life on welfare. Citing William A. Galston’s analyses, Raspberry notes that a startling 79 percent of children in this category lived in poverty in 1992. In contrast, only 8 percent of children born to parents who had achieved all three milestones—marriage, graduation, and the 20th birthday—before having their first child were living in poverty. The potential effect of welfare on illegitimacy has taken center stage in the welfare reform debate but there is considerable disagreement about its effects. David Ellwood, economist and Department of Health and Human Services official, has found little evidence that welfare contributes to the increase in illegitimacy. In his book, “Poor Support,” he points to several other concurrent social changes that are contributing to the increase—the growing percentage of women in the work force, the drop in earnings and rise in unemployment among young men, and changes in attitudes toward marriage.

Others interpret the data differently. Most notably, Charles Murray believes that welfare is the primary cause of the increase in illegitimate births. In a catalytic Wall Street Journal article published October 29, 1993, Murray argues that welfare and assistance for out-of-wedlock childbearing and, in turn, has reduced the social stigma associated with it. He concludes that the removal of both of these disincentives has led to more out-of-wedlock births. Based on this conclusion, Murray recommends the dramatic step of ending welfare altogether. Murray acknowledges that his approach may put this generation of children at risk and advocates, among others, “a substantial increase in facilities this act would enable states to create.”

The stigma of illegitimacy was not just an accident of social history; it was a societal attempt to protect children. Today, the stigma is largely gone and so the children have suffered terribly. Raspberry’s previously mentioned article published in 1993 and his conclusions indicating that 70 percent of Americans aged 18 to 34 believe that people having children out of wedlock do not deserve any moral reproach. That is an outrageous result, one that we must turn around because the decision to bear a child has profound moral and human content. We must infuse our children with a clear understanding of the consequences of teen-age childbearing. We must teach them that it is wrong to have children unless you are married, always morally wrong for the mother and father, and usually horrible for the child and the mother.

Few would argue that a national campaign to discourage unwed teen pregnancy is a good thing to do. Indeed, Senate Minority leader Daschle introduced a bill, S. 8, on the first day of this session to combat teen pregnancy. His bill, among other things, would require unmarried parents under age 18 to live at home or in an alternative adult-supervised living arrangement as a condition of receiving AFDC. This measure seems appropriate; it would eliminate the incentive teenagers now have to bear a child out of wedlock. The Federal Government must also take the lead in improving child support enforcement. As a starting point, we should fully implement the recommendations of the U.S. Commission on Interstate Child Support. The last Congress Senator Bill Bradley, a member of the Commission, introduced S. 689, the Interstate Child Support Enforcement Act, to implement the Commission’s recommendations. My Connecticut colleague, Congresswoman Shelly Moore Capito, also a Commission member, introduced a similar bill, H.R. 1961, in the House. This year I will again support Senator Bradley’s legislation which will, among other things: mandate hospital-based paternity acknowledgement programs; require employers to submit W-4 forms for all new employees to State child support enforcement agencies; and provide States the authority they into the welfare system will change the behavior of all parents and citizens in stead for a more child-centered social service agenda that recognizes and serves the needs of children in a more direct, comprehensive, and integrated fashion. She makes an important point.

Similarly, Thomas Corbett of the University of Wisconsin asks in a spring, 1993 Focus article whether it is “compassionate to throw a little bit of welfare into troubled families and do little else to aid the children?” The answer is, of course, relative. AFDC reflects our best intentions toward these children, but it has often failed them. Whether cash payments to unresponsible parents is the most compassionate approach, Corbett concludes, “depends partly on how many children are involved and whether we can design and finance the technologies required to assist them.”

It is incumbent on us, as part of welfare reform, to explore the alternatives to a largely parent-based system, and find the answers to his question. Title II of the bill supports State efforts to do just that. Section 201 allows States to experiment with AFDC recipients to block grants and combine the grants with other funds available under this bill to care for children, strengthen families, and implement other reforms. In contrast to the Republican block grant proposals, however, the provision guarantees that the Secretaries of the Treasury and of Health and Human Services will ensure that States pursuing the Block Grant Program protect the well-being of affected children. Title II supports other demonstrations as well, including pilots that discourage welfare recipients from having additional children while on welfare by denying benefit increases for additional children and pilots to test innovative teen pregnancy prevention programs.
During my visit to their Hartford, CT, trains people on welfare for work and ica Works, a private organization that those they serve. It can be done. Amer- empower, not discourage and demean, make it easier for them to budget their their banking system; they food stamps for drugs; they introduce advantages: They preclude the trading of benefits on it. Electronic benefit paid, testimony that her State has Health and Human Services in Dela- Nazario, the Secretary of a hearing I held in the last Congress, under the weight of its own ineffi- needlessly because the system fails serving. It is tragic when a child suffers files and lose people in the shuffle of Many welfare offices don’t know how off of welfare and back to work. Many welfare offices don’t know how many children they have in foster care. Many still operate out of cardboard files rather than how to get the recipi- their families, and have half of $125,000 for $125,000 per year. So the individual subsidies. If he forms two other busi- ness entities with two other individ- uals, and have half of $125,000 for $125,000 per year in certain Government the Secretary of subgroup that had just completed her training if she expected to be placed successfully in a job. She responded with enthusiasm, “absolutely.” This spirit does not typi- cally pervade traditional welfare of- fices.

Most important welfare offices should be held accountable for results. They need to make the shift from writ- ing checks to moving people on welfare into jobs. To promote this change, we should seek to establish competition among agencies and greater choice for people on welfare. We should encourage public agencies to contract with effective private sector companies and to better reward those public employees who successfully help people become self-sufficient.

Title IV supports initiatives to diver- sify and improve the performance of welfare services. It supports State pi- lots to provide incentives to private sector, for-profit groups to place people on welfare in private sector jobs. Companies would keep a portion of welfare savings as payment for successful job placements. Title IV also supports State pilots to improve the effectiveness welfare office em- ployees through, for example, provid- ing direct bonuses to employees and judging their performance based on their clients’ progress toward self-suffi- ciency.

In addition, title IV incorporates legisla- tion I introduced earlier this month with Senators DOMENICI, FEINSTEIN, PESSLER, and HATFIELD to remove a Federal barrier to improving services. That bill, S. 131, the Electronic Bene- fits Regulatory Relief Act of 1995, ex- empts EBT cards from the Federal Re- serve Board’s regulation E. Regulation E limits cardholder liability to $50 for lost or stolen cards—a policy that pro- motes fraud and makes EBT Programs costly for States. Earlier this month the Vice President issued the first re- port from the EBT task force and called for nationwide implementation. Without passage of this provision, that goal will not be reached.

Finally, title V authorizes offsetting ex- penditure reductions to ensure the bill is budget neutral.

In other words, the bills pay for it- self. Specifically, it eliminates the three-entity rule. Currently, an indi- vidual’s performance of welfare for up to $125,000 per year in certain Government subsidies. If he forms two other business entities with two other individ- uals (say, a friend and a sister), each of these entities can qualify for another $125,000 per year. So the individual farmer can receive up to $250,000 in sub- sidies per year—$125,000 for his first business entity, and half of $125,000 for each of his second and third entities. My bill says, “enough is enough,” and caps the total benefit at $125,000 sub- sidies any one person gets from the Federal Government at $125,000. A pre- liminary Congressional Budget Office estimate indicates this change will save $675 million over 5 years, money that is better spent on the truly needy. Americans for Tax Reform, which represents the interest of the poor, and particularly poor chil- dren. A 1994 poll commissioned by the Children’s Defense Fund and others found that 64 percent of Americans be- lieve we should spend more on poor children. But the same poll found that 55 percent think we spend too much on welfare, and 68 percent think we should not increase payments to parents for any additional children they have while on welfare.

Our current approach to helping the poor is clearly not working. The goal of welfare reform is to shake up the statu- quos which promotes dependency, il- legitimacy, and social disfunctions like crime into a system that promotes work, family, and responsibility and protects children from a life of pov- erty. The Federal Government does not have a ready formula for how to achieve this goal. I concur with my col- leagues who say that we should look to the States for answers. But we must proceed in a way that meets our obliga- tion to ensure the well-being of all of America’s children. Our aim should be to make sure that this generation of welfare children do not become the next generation of welfare parents. This bill offers an approach to do just that.

Mr. President, I ask unanimous con- sent that the text of the bill and addi- tional material be printed in the RECORD. There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 246

Be it enacted by the Senate and House of Rep- resentatives 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 "Welfare Reform that Works Act."
(b) TABLE OF CONTENTS.—The table of con- tents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.
Sec. 3. Definitions.
Sec. 4. General provisions relating to demon- stration projects.
Sec. 5. Authorization of appropriations.

TITLE I—INITIATIVES TO MOVE WEL- FARE RECIPIENTS INTO THE WORK FORC}

Sec. 101. Demonstration projects which condition AFDC benefits for cer- tain individuals on school attendance or job training, limit the time period for receipt of such benefits, and require teen- age parents to live at home.
Sec. 102. Pilot Job Corps program for recipi- ents of Aid to Families with Dependent Children.
Sec. 103. Demonstration projects requiring up-front 30-day assisted job search, substance abuse treatment before receiving AFDC benefits.
Sec. 104. Disregard of education and employ- ment training savings for AFDC eligi- bility.
Sec. 105. Incentives and assistance in start- ing a small business.
Sec. 105. Increased emphasis in J OBS program on moving people into the workforce.

Sec. 107. Additional demonstration projects to move AFDC recipients into the workforce.

TITLE II—INITIATIVES TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY

Sec. 201. Demonstration projects to establish century reforms through conversion of certain AFDC and J OBS payments into block grants.

Sec. 202. Demonstration projects providing no additional benefits with respect to children born while a family is receiving AFDC and all other increases in the earned income disregard.

Sec. 203. Demonstration projects providing incentives to marry.

Sec. 204. Demonstration projects reducing AFDC benefits if school attendance is irregular or preventive health care for dependent children is not obtained.

Sec. 205. Demonstration projects to develop community-based programs for teenage pregnancy prevention and family planning.

Sec. 206. Additional demonstration projects to strengthen families and break the cycle of welfare dependency.

TITLE III—CHANGES TO FEDERAL LAWS AND STATE INITIATIVES TO INCREASE CHILD SUPPORT AND PATERNAL RESPONSIBILITY

Sec. 301. Demonstration projects to increase paternity establishment.

Sec. 302. Demonstration projects to increase collection.

TITLE IV—INITIATIVES TO DIVERSIFY AND IMPROVE THE PERFORMANCE OF WELFARE SERVICES

Sec. 401. Demonstration projects providing placement of AFDC recipients in private sector jobs.

Sec. 402. Demonstration projects providing performance-based incentives for State public welfare providers.

Sec. 403. Electronic benefit transfers.

TITLE V—OFFSETTING EXPENDITURE REDUCTIONS

Sec. 501. Offsetting expenditure reductions.

SECT. 2. PURPOSE.

The purposes of this Act are—

(1) to promote bold State initiated welfare reforms that work;

(a) move welfare recipients into the workforce,

(b) strengthen families,

(c) break the cycle of welfare dependence,

(d) increase child support collection and paternal responsibility,

(e) improve the delivery of welfare services; and

(f) to make immediate State-by-State changes to the existing system while establishing a process for identifying successful reform approaches that can be applied nationally.

SECT. 3. DEFINITIONS.

For purposes of this Act—

(1) AID TO FAMILIES WITH DEPENDENT CHILDREN.—The term ‘aid to families with dependent children’ has the meaning given to such term by section 406(b) of the Social Security Act (42 U.S.C. 606(b)).

(2) SECRETARY.—The term ‘Secretary’ means the Secretary of Health and Human Services.

SECT. 4. GENERAL PROVISIONS RELATING TO DEMONSTRATION PROJECTS.

(a) APPLICATIONS.—

...
Act (42 U.S.C. 601 et seq.) for such demonstration projects.

(c) **Reservation of Certain Amounts Until Final Report Submitted.**—The Secretary shall reserve 10 percent of any amounts allocated to a State for a demonstration project under subsection (b), and shall not pay such reserved amounts until such State has submitted a final report on such demonstration project.

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**TITLE I—INITIATIVES TO MOVE WELFARE RECIPIENTS INTO THE WORK FORCE**

**SEC. 101. DEMONSTRATION PROJECTS WHICH CONDITION AFDC BENEFITS FOR CERTAIN INDIVIDUALS ON SCHOOL ATTENDANCE OR JOB TRAINING, LIMIT THE TIME PERIOD FOR RECEIVING SUCH BENEFITS, AND REQUIRE TEENAGE PARENTS TO LIVE AT HOME.**

(a) **Establishment.**—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) **Project Described.**—

(1) **In General.**—Except as provided in paragraph (2), each State conducting a demonstration project under this section shall provide that—

(A) a family described in paragraph (3) shall not receive aid to families with dependent children—

(i) unless the individual described in paragraph (3)(A)(i) is, for a minimum of 35 hours a week—

(I) attending school;

(II) studying for a general equivalency diploma;

(III) participating in a job, job training, or job placement program; and

(ii) except in the case of a situation described in clause (i) through (v) of section 402(a)(43)(B) of the Social Security Act (42 U.S.C. 602(a)(43)(B))—

(I) such individual is residing in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent’s, guardian’s, or adult relative’s own home, or residing in a foster home, maternity home, or other adult-supervised supportive living arrangement, and

(II) such aid (where possible) shall be provided to the individual’s parent, legal guardian, or other adult relative on behalf of such individual and the individual’s dependent child; and

(B) such family shall be entitled to receive such aid for a time period determined appropriate by the State which shall, at a minimum, permit such individual to complete the activities described in subparagraph (A)(i).

(2) **Limitation.**—A State conducting a demonstration project under this section shall not apply the provisions of paragraph (1) to a family unless—

(A) the State has made adequate child care available to such family;

(B) the State has paid all tuition and fees applicable to the activities described in paragraph (1)(A); and

(C) such application does not endanger the welfare and safety of a dependent child who is a member of such family.

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**SEC. 102. PILOT JOB CORPS PROGRAM FOR RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN.**

Section 433 of the Job Training Partnership Act (29 U.S.C. 1703) is amended by adding at the end the following new subsection:

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(f)(1) The Secretary may enter into appropriate agreements with agencies as described in section 429(a)(1) for the development of pilot projects to provide services at Job Corps centers to eligible individuals—

(A) who are eligible youth described in section 423;

(B) whose families receive aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

(C) who are mothers of children who have not reached the age of compulsory school attendance in the State in which the children reside.

(2) A Job Corps center serving the eligible individuals shall—

(A) provide child care at or near the Job Corps center for the individuals;

(B) provide the activities described in section 428 for the individuals; and

(C) provide for the individuals, and require that each such individual participate in, activities through a parents as teachers program that—

(i) establishes and operates parent education programs, including programs of developmental screening of the children of the eligible individuals;

(ii) provides group meetings and home visits for the family of each such individual by parent educators who have had supervised experience in the care and education of children and have had experience in pilot projects carried out under this subsection. In addition to the agencies described in the second sentence of such subsection, such standards and procedures may be included through arrangements with welfare agencies.

(3) The Secretary shall prescribe specific standards and procedures under section 424 for the screening and selection of applicants to participate in pilot projects carried out under this subsection. In addition to the agencies described in the second sentence of such subsection, such standards and procedures may be included through arrangements with welfare agencies.

(4) As used in this subsection:

(A) The term 'developmental screening' means the process of measuring the progress of children to determine if there are problems or potential problems or other abilities in the areas of understanding and use of language, perception through sight, perception through hearing, motor development and hand-eye coordination, health, and physical development.

(B) The term 'parent education' includes parent support activities, the provision of resource materials on child development and parent-child learning activities, private and group education programs, individual and group learning experiences for the eligible individual and child, and other activities that enable the eligible individual to improve living in the home.

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**SEC. 103. DEMONSTRATION PROJECTS REQUIRING UP-FRONT 30-DAY ASSISTED JOB SEARCH, OR SUBSTANCE ABUSE TREATMENT, IN ORDER TO RECEIVE AFDC BENEFITS.**

(a) **Establishment.**—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) **Project Described.**—

(1) **In General.**—Except as provided in paragraph (2), conducting a demonstration project under this section shall require a parent or other relative of a dependent child to undergo 30 days of assisted job search or substance abuse treatment (or both) before the family may receive aid to families with dependent children as part of the application process for the receipt of such aid.

(2) **Limitation.**—A State conducting a demonstration project under this section shall not apply the provisions of paragraph (1) to a family unless—

(A) all of the dependent children in the family are over 6 months of age;

(B) the State has made adequate child care available to such family;

(C) the State has paid all fees applicable to the activities described in paragraph (1); and

(D) such application does not endanger the welfare and safety of a dependent child who is a member of such family.

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**SEC. 104. DISREGARD OF EDUCATION AND EMPLOYMENT TRAINING SAVINGS FOR AFDC ELIGIBLES.**

(a) **Disregard as Resource.**—Subparagraph (B) of section 402(a)(7) of the Social Security Act (42 U.S.C. 602(a)(7)) is amended—

(1) by striking ‘‘or’’ and ‘‘(vii),’’ and

(2) by inserting ‘‘, or (v) except in the case of the family’s initial determination of eligibility for aid to families with dependent children, any amount up to $10,000 in a qualified education and employment account (as defined in section 406(i)(1))’’ before ‘‘; and’’.

(b) **Disregard as Income.**—

(1) **In General.**—Subparagraph (A) of section 402(a)(8) of such Act (42 U.S.C. 602(a)(8)) is amended—

(A) by striking ‘‘and’’ at the end of clause (vii), and

(B) by inserting after clause (vii) the following new clause:

‘‘(viii) shall disregard any qualified distributions (as defined in section 421(a)(12)) made from any qualified education and employment account (as defined in section 406(i)(1)) while the family is receiving aid to families with dependent children.’’

(2) **Nonrecurring Lump Sum Exempt from Lump Sum Rule.**—Section 402(a)(17) (42 U.S.C. 602(a)(17)) is amended by adding at the end the following:

‘‘(vii) shall disregard any qualified distributions (as defined in section 406(i)(1)) made from any qualified education and employment account (as defined in section 406(i)(1)) the total amount which, after such placement, does not exceed $10,000’’.

(c) **Qualified Education and Employment Accounts.**—Section 406 of such Act (42 U.S.C. 606) is amended by adding at the end the following:

‘‘(1) The term ‘qualified education and employment account’ means a mechanism established by the State (such as escrow accounts or education savings bonds) that allows savings from the earnings of a dependent child or parent of such child in a family receiving aid to families with dependent children to be used for qualified distributions.’’

(2) The term ‘qualified distributions’ means distributions from a qualified education and employment account for expenses directly related to the attendance at an eligible postsecondary or secondary institution or directly related to improving the employability (as determined by the State) of a member of a family receiving aid to families with dependent children.

‘‘(3) The term ‘eligible postsecondary or secondary institution’ means a secondary institution determined to be eligible by the State under guidelines established by the Secretary.’’

(4) **Effective Date.**—The amendments made by this section shall apply to payments under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for calendar quarters beginning on or after January 1, 1995.

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**SEC. 105. INCENTIVES AND ASSISTANCE IN STARTING A SMALL BUSINESS.**

(a) **Authority for States to Permit Certain Self-Employment Program Participants a One-Time Election to Purchase Capital Equipment for a Small Business in
Lieu of Deprivation; Repayments by Such Persons of the Principal Portion of Small Business Loans Treated as Business Expenses for Purposes of AFDC. —

(1) AMENDMENTS TO THE SOCIAL SECURITY ACT. —The amendments made by paragraph (2) of section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)) are amended—

(A) in subparagraph (B)(ii)(I), by striking "and" and inserting a semicolon in place thereof; and

(B) by redesignating subparagraph (C) as subparagraph (D); and

(c) by inserting after subparagraph (B) the following new subparagraph:

"(C) in determining the earned income of a family any of the members of which owns a small business and is a participant in a self-employment program offered pursuant to section 402(d)(1)(B)(iii), the State may—

"(i) allow each such family eligible for aid under this Act to receive such aid, in addition to any other aid to which such family is entitled, for purposes of determining the earned income of such family which is attributable to expenditures by the family for any member of the family during such 1-year period; and

"(ii) treat as an offset against the gross receipts of the business the sum of the capital expenditures for the business by any member of the family during such 1-year period; and

"(iii) cash retained by the business for future use by the business; and"

(2) PAYMENT. —The Secretary shall make such payment to which the State was entitled under section 402(a)(8) of the Social Security Act as a result of the enactment of this subsection, the term "eligible participants" means—

(A) individuals who are receiving aid to families with dependent children; and

(B) individuals who cease to be eligible to receive such aid who have been participating in a demonstration project conducted by a State under this Act.

A demonstration project conducted by a State under this Act shall provide for demonstration projects described in paragraph (1) in lieu of—

(A) all payments to which the State would otherwise be entitled under section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)) for aid to families with dependent children under part A of title IV of such Act or the job opportunities and basic skills training program under part F of such title; or

(B) any portion of the payment described in subparagraph (A) to which the State was not otherwise entitled under such section for benefits (identified by the State) under part A or part F of such title for populations (identified by the State) who receive such benefits.

2. PAYMENT. —The Secretary shall make payment under this paragraph for each year of the project in an amount equal to—

(A) during fiscal year 1996—

(i) 100 percent of the total amount to which the State was entitled under section 403 of the Social Security Act (42 U.S.C. 603) for aid to families with dependent children under part A of title IV of such Act or the job opportunities and basic skills training program under part F of such title; or

(ii) the amount to which the State was entitled under such section for benefits (identified by the State) under part A or part F of such title for populations (identified by the State) who receive such benefits.

For purposes of this paragraph, a family-owned business may include other relatives of the family receiving aid to families with dependent children regardless if such relatives are also receiving aid to families with dependent children.

SEC. 106. INCREASED EMPHASIS IN JOBS PROGRAM ON MOVING PEOPLE INTO THE WORKFORCE.

Section 438(a)(1) of the Social Security Act (42 U.S.C. 681(a)(1)) is amended by adding at the end the following new sentence: "It is further the purpose of this Act to encourage individuals receiving education and training to enter the permanent workforce by developing programs through which such individuals enter the work force and then receive post-employment education and training."

SEC. 107. ADDITIONAL DEMONSTRATION PROJECTS TO MOVE AFDC RECIPIENTS INTO THE WORKFORCE.

(a) ESTABLISHMENT. —The Secretary shall provide for additional demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall develop a program or programs to move recipient families with dependent children into the work force.

TITLE II—INITIATIVES TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY

SEC. 201. DEMONSTRATION PROJECTS TO ESTABLISH CHILD CENTERED PROGRAMS THROUGH CONVERSION OF CERTAIN AFDC AND JOBS TO PAYMENTS INTO BLOCK GRANTS.

(a) ESTABLISHMENT. —The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—

(1) IN GENERAL.—Each State conducting a demonstration project under this section shall elect to receive payments under paragraph (2) in lieu of—

(A) all payments to which the State would otherwise be entitled under section 403 of the Social Security Act (42 U.S.C. 603) for aid to families with dependent children under part A of title IV of such Act or the job opportunities and basic skills training program under part F of such title; or

(B) any portion of the payment described in subparagraph (A) to which the State was not otherwise entitled under such section for benefits (identified by the State) under part A or part F of such title for populations (identified by the State) who receive such benefits.

(2) PAYMENT. —The Secretary shall make payment under this paragraph for each year of the project in an amount equal to—

(A) during fiscal year 1995—

(i) 100 percent of the total amount to which the State was entitled under section 403 of the Social Security Act (42 U.S.C. 603) for aid to families with dependent children under part A of title IV of such Act or the job opportunities and basic skills training program under part F of such title; or

(ii) the amount to which the State was entitled under such section for those benefits (identified by the State) under part A or part F of such title for populations (identified by the State) who receive such benefits.
(B) during each subsequent fiscal year, the amount described in this paragraph in the previous fiscal year plus the product of such amount and the percentage increase in such consumer price index during such previous fiscal year.

(3) Description of activities.—

(A) in general.—Each State which is paid under paragraph (2) shall expend the amount received under such paragraph and the amount, if any, made available to such State under section 402(b)(1)(B)(ii) for one or more of the following purposes:

(i) Establish residential programs for teenage mothers with dependent children where education, job training, community service, or other employment is provided.

(ii) Support the pilot project described in section 402(b)(1)(A) of the Social Security Act as added by section 102 of this Act, to provide such services to teenage mothers with dependent children.

(B) For the purposes of making determinations for any month under section 402(a)(7) of the Social Security Act (42 U.S.C. 602(a)(7)), each State conducting a demonstration project under this subsection shall modify the income disregards provided in subparagraphs (A) through (D) of section 402(a)(3) of such Act (42 U.S.C. 602(a)(3)) in order to decrease the amount of income determined under such section with respect to a dependent child's stepparent.

SEC. 204. DEMONSTRATION PROJECTS REDUCING AFDC BENEFITS IF SCHOOL ATTENDANCE IS IRREGULAR OR PREVENTIVE HEALTH CARE FOR DEPENDENT CHILDREN IS NOT OBTAINED.

(a) Establishment.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) Project described.—Each demonstration project under this section shall include provisions described in section 407(b)(1)(A)(ii) of the Social Security Act (42 U.S.C. 607(b)(1)(A)(ii)).
(iii) child support collection; (iv) teen pregnancy prevention programs; and (v) any other program that objective that the State finds appropriate.

(C) for any state that provides, or participates in, an electronic benefit card program, the State shall provide a State desiring to submit an application for a demonstration project with technical assistance under this section with technical assistance in preparing an application described under paragraph (1).

(2) TECHNICAL ASSISTANCE.—The Secretary shall provide a State desiring to submit an application for a demonstration project under this section with technical assistance in preparing an application described under paragraph (1).

SEC. 403. ELECTRONIC BENEFIT TRANSFERS.

Section 300(d) of the Electronic Fund Transfer Act (15 U.S.C. 1309(d)) is amended—

(1) by inserting "(lii)" after "(d)"; and

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

"(ii) The disclosures, protections, responsibilities, and remedies created by this title or any rules, regulations, or orders issued in accordance with this title, do not apply to an electronic benefit transfer program established under State or local law, or administered by a State or local government unless the payment under such program is made directly into a consumer's account held by the recipient.

Sec. 101. Supports State pilots to condition AFDC benefits on the work force

Supports State pilots to condition AFDC benefits on the work force in 1993 with Senator Dodd.

Sec. 2. States that the purpose of the bill is to promote bold State-initiated welfare reforms that the first two years and $125 million in the following three years to support pilots and evaluations of pilots, and requires States to have evaluation plans approved by the Department of Health and Human Services (HHS) before receiving funds. A portion of these funds would support innovative pilot programs not specified in the bill but proposed by States. Demonstration projects could last up to 5 years. States would report on progress annually. As results of interim and final reports become available, the Secretary of HHS will submit legislation to Congress to implement promising reforms nationally.

Sec. 4. Sets forth general provisions relating to demonstration projects. Authorizes up to $150 million for the first two years and $125 million in the following three years to support pilots and evaluations of pilots, and requires States to have evaluation plans approved by the Department of Health and Human Services (HHS) before receiving funds. A portion of these funds would support innovative pilot programs not specified in the bill but proposed by States. Demonstration projects could last up to 5 years. States would report on progress annually. As results of interim and final reports become available, the Secretary of HHS will submit legislation to Congress to implement promising reforms nationally.


The current Federal welfare rules discourage family unification and encourage out-of-wedlock childbearing. Victims of these policies are children born into poor, unstable families. This Title supports State reforms that promote parental responsibility and family unity. It recognizes that while welfare is a privilege for parents, States and the Federal government have a moral responsibility to ensure the well-being of American children.

Sec. 201. Supports State pilots to establish child centered programs through conversion of AFDC and J OBS payments into block grants to funds available under other sections of this bill. States could apply portions of funds to: (1) establish residential homes for teenage mothers with children, including support from the welfare grant; (2) expand programs to improve adoption of children; (3) expand child care assistance for needy children with special needs; (4) establish alternative residential schools for children enrolled at the request of their parents; (5) provide other services directly to needy children; and (6) fund demonstration programs to meet the purposes of the Act. The Secretary of HHS, in reviewing the application, must ensure that the State programs will protect the best interests of the affected children.

Sec. 202. Supports State pilots to discourage welfare recipients from having additional children while on welfare and increase the financial reward for work. Recipients who had a second child would not get additional benefits but would be allowed to keep a higher amount. Sec. 203. Supports State pilots to improve incentives to get married. States would disregard to a greater extent the second parameter in work and patterns in determining benefits.

Sec. 204. Supports State pilots to reduce AFDC benefits if school attendance of mother or child is irregular or preventive health
care for the dependent children is not attainable.

Sec. 205. Supports State demonstrations of innovative teenage pregnancy prevention programs.

Sec. 206. Supports additional demonstration projects proposed by States to strengthen families and break the cycle of welfare dependency.

TITUE III.—CHANGES TO FEDERAL LAWS AND STATE REQUIREMENTS TO IMPROVE CHILD SUPPORT ENFORCEMENT

Sec. 301. Supports demonstration projects to increase child support collection and paternity establishment.

Sec. 302. Supports demonstration projects to increase child support collection, including: increasing the child support disregard, from $50 to a higher level decided by the State; and, holding parents accountable for child support obligations of their minor children.

TITUE IV.—INITIATIVES TO DIVERSIFY AND IMPROVE PERFORMANCE OF WELFARE SERVICES

Sec. 401. Supports State pilots to provide electronic benefit transfer “smart cards.”

Sec. 402. Supports State pilots to implement management programs in welfare offices. It also moves a current Federal impediment to the use of electronic benefit transfer “smart cards.”

TITUE V. OFFSETTING EXPENDITURE REDUCTIONS

Sec. 501. Eliminates the “three-entity” rule, reducing the amount of certain Federal subsidies individual farmers can receive from $250,000 to $125,000 per year.

By Mr. GREGG (for himself and Mr. COCHRAN):

S. 247. A bill to improve senior citizen housing safety: to the Committee on Banking, Housing, and Urban Affairs.

THE SENIOR CITIZENS HOUSING SAFETY ACT

Mr. GREGG. Mr. President, last year, I introduced the Senior Citizens Housing Safety Act, a bill that will end the terror that unfortunately runs rampant today making housing projects specifically designated for elderly and disabled residents. I reintroduce this important legislation.

In my home State of New Hampshire, most people are still afforded the luxury of not having to lock their front door before turning in for the evening. However, many elderly residents of public housing facilities in my State have been forced to not only lock their front doors, but are literally being held prisoner in their own homes. I believe this is outrageous. I have received numerous complaints from residents of elderly housing facilities throughout New Hampshire who are worried about their personal safety in housing specifically reserved for them.

Under current housing laws nonelderly persons considered disabled, because of past drug and alcohol abuse problems, are eligible to live in section 8 housing designated for the elderly. This mixing of populations may have filled up the housing projects across the country, but it has opened a Pandora’s box. It simply says they cannot live in housing that is designated for the elderly.

This mixing of populations may have opened a Pandora’s box. Simply put, nonelderly persons who continuously raise havoc within the housing project. I urge my colleagues to support this important bill. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

SEC. 2. SENIOR CITIZEN HOUSING SAFETY.

SEC. 3. LIMITATION ON OCCUPANCY IN PUBLIC HOUSING DESIGNATED FOR ELDERLY FAMILIES.

(1) In general.—Section 7(a) of the United States Housing Act of 1937 (42 U.S.C. 6107(a)) is amended—

(A) in paragraph (1), by striking “Subject only to the provisions of this subsection”;

(B) in paragraph (4), by inserting “, except as provided in paragraph (5)” before the period at the end; and

(C) by adding at the end the following new paragraph:

“(5) LIMITATION ON OCCUPANCY IN PROJECTS FOR ELDERLY FAMILIES.—

“(A) OCCUPANCY LIMITATION.—Notwithstanding any other provision of law, a dwelling unit in a project (or portion of a project) that is designated under paragraph (3) for occupancy by elderly families shall not be occupied by—

(i) any person who has a history of drug abuse or who is a drug addict; or

(ii) any person who has been convicted of a crime involving drug abuse or drug addiction; or

(iii) any person convicted of a crime involving drug abuse or addiction who has not completed all parole or probationary obligations required by the court or the parole or probation officer.

(B) REQUIRED STATEMENT.—A public housing agency may not make a dwelling unit in a project available to any person or family who is not an elderly family, unless the agency acquires from the person or family a signed statement that no person who will be occupying the unit—
TENANTS FOR 3 INSTANCES OF PROHIBITED ACTIVITY INVOLVING DRUGS OR ALCOHOL .ÐWith the person required to be evicted.''.

As a result, States have either yielded to EPA's mandate, or are trying to get EPA to change its views. States that chose the first course are facing a citizen rebellion and States choosing the second are facing a brick wall. If a State does not meet the enhanced emissions testing requirements to EPA's satisfaction, the Agency can have the State's Federal highway funding cut off.

EPA has just recently indicated a willingness to reconsider and negotiate increased flexibility with some of the affected States' Governors and not implement fines for States moving forward in "good faith." This is a good first step. However, it has only been implemented on a State-by-State basis and EPA has yet to issue any codified guidance to define this apparent change in policy. States remain at the mercy of EPA's discretion. I believe that any new policy should be formalized to provide the certainty and predictability. This bill will help ensure that the Clean Air Act will be complied with by giving States the necessary flexibility to implement the most suitable inspection program for their States. I urge my colleagues to give this bill careful consideration. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 248

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

SECTION 1. SHORT TITLE.

The Act may be cited as the "Auto Inspection Reform (AIR) Act of 1995'.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.ÐCongress finds that, in carrying out the Clean Air Act (42 U.S.C. 7401 et seq.), the Administrator of the Environmental Protection Agency (referred to in this Act as the "Administrator") has failed to Ñ

(1) adequately consider alternative programs to centralized vehicle emission testing programs, as required by section 182(c)(3)(vi) of the Clean Air Act (42 U.S.C. 7511a(c)(3)(vi)); and

(2) provide adequate credit to States for the alternative programs.

(b) Purposes.ÐThe purpose of this Act is to require the Administrator to Ñ

(1) reassess the determinations of the Administrator with respect to the equivalency of centralized and decentralized programs under section 182(c)(3)(vi) of the Clean Air Act (42 U.S.C. 7511a(c)(3)(vi)); and

(2) issue new regulations governing the programs that Ñ

(A) result in minimum disruption to the ability of States to comply with other requirements of the Act (42 U.S.C. 7401 et seq.); and

(B) provide States a reasonable opportunity to comply with the new regulations and implement any decentralized testing programs that the States demonstrate are equally effective as centralized programs.

SEC. 3. IMPLEMENTATION OF ENHANCED VEHICLE INSPECTION PROGRAMS.

(a) IN GENERAL.ÐNotwithstanding any other provision of law, a State shall not be required to implement an enhanced vehicle inspection program and maintenance program under section 182(c)(3)(vi) of the Clean Air Act (42 U.S.C. 7511a(c)(3)(vi)) prior to March 1, 1996.

(b) REASSESSMENT OF REGULATIONS.Ð

(1) IN GENERAL.ÐThe Administrator shall Ñ

(A) immediately rescind the regulations issued on November 5, 1992 (57 Fed. Reg. 52950), relating to operation of the program described in subsection (a) on a centralized basis; and

(B) during the period beginning on the date of enactment of this Act and ending on March 1, 1996 Ñ

(i) reassess the determinations made by the Administrator with respect to operation of the program described in subsection (a) on a centralized basis, taking into consideration comments submitted by States; and

(ii) issue new regulations relating to operation of the program described in subsection (a) on a decentralized basis, that are equally effective as centralized programs.

(2) REQUIREMENTS.ÐThe regulations issued under paragraph (1)(b)(ii) shall Ñ

(i) be consistent with the intent of section 182(c)(3)(vi) of the Clean Air Act (42 U.S.C. 7511a(c)(3)(vi)) Ñ

(A) make reasonably available to States the option of operation of the program described in subsection (a) on any decentralized basis if the State demonstrates that such a decentralized program is equally effective as a centralized program;

(B) establish criteria that a State must meet in order to demonstrate that a decentralized program of the State is equally effective as a centralized program; and

(B)(i) provide each State a reasonable opportunity to submit (at the option of the State) a new revision to a plan under section 182(c)(3) of the Act (42 U.S.C. 7511a(c)(3)) based on the new regulations, which revision shall replace any revision to a plan previously submitted by the State under section 182(c)(3) of the Act; and

(ii) include a schedule that provides States a reasonable opportunity to implement any new revisions to plans that the States submit under subparagraph (B)(i).

(3) JUDICIAL REVIEW.ÐNotwithstanding section 706 of title 5, United States Code, or any other provision of law, a State may challenge any determination made by the Administrator under section 182(c)(3)(vi) of the Clean Air Act (42 U.S.C. 7511a(c)(3)(vi)) in the courts of the United States.
Mr. MCCONNELL. Mr. President, today, I am introducing a bill that joins the effort to improve our legal system with the goal of eliminating unfunded Federal mandates.

Too often, Mr. President, Congress passes a bill without regard as to its impact on the court system. How many new cases will the law generate? Will they be Federal court cases or State court cases? How much will it cost government to enforce the new law through the courts? How much liability will government, as well as the private sector, incur as a result of the new law?

These questions are rarely asked by Congress before a bill becomes law. The bill I am introducing will change all of that. It requires the Administrative Office of the U.S. Courts to provide a litigation impact statement for all bills reported from committees—except private relief bills and appropriation bills. The A.O. is equipped to perform this task; in fact, the staff already does provide a judicial impact statement for certain bills. In the Violence Against Women's Act, and they did for a bill I introduced in the 102d Congress, the Pornography Victims' Compensation Act.

In 1994, more than 281,000 new cases were filed in the Federal courts, with an increase in the civil filings of 3 percent over last year—interestingly, the criminal filings have gone down.

In 4 of the last 5 years, filings in the Federal courts have increased. This increase in court filings occurs at the State level, where hundreds of thousands of cases are also filed. Too many of these cases are a direct result of Federal legislation enacted without a thought as to the effect on the courts. My bill will give Congress the opportunity to consider, for every bill, what burdens it will create for the courts, as well as the financial impact for potential liability the new law will have on governmental and private entities. Cities and towns are spending more and more of their budgets on liability insurance, and part of the blame for that rests with Congress for the new laws creating runaway liability.

Will a litigation impact statement slow Congress down? I certainly hope so. It would be just fine with the American people, if Congress imposed fewer burdens on them. After all, they delivered a loud message last November. They said our government does not work properly; it's too big, too expensive and inefficient. So, before Congress goes off passing laws which will create more lawsuits, let's get Congress educated about the impact any new laws will have on our court system.

Congress already gets an assessment of the budget impact for any new legislation. Let's also have a litigation impact statement. It is a very good beginning on the road to reforming the legal system.

And on reforming the legal system, I will have more to say in the coming days. The time is right to undertake comprehensive reform of our legal system. I know it won't be a top priority of the Senate Judicial Committee, and I look forward to working with that committee on this issue.

Mr. MCCAIN. Mr. President, last year, I introduced legislation to clear up an anomaly in United States law that prohibits the President from granting Cambodia most-favored-nation status [MFN]. Despite my efforts, Cambodia is without MFN and the President is still without the statutory power to grant it. There were many more important issues for Congress to address in 1994. But MFN is very important to Cambodia. And it should be important to all of us interested in a stable and prosperous Southeast Asia. Accordingly, today, I am reintroducing legislation to grant MFN to Cambodia.

Areas of Indochina under Communist control, including Cambodia, were denied MFN under the Trade Agreements Extension Act of 1951 and the 1974 Trade Act. Cambodia as a whole was denied MFN in 1975 by Executive action and its new trading status was confirmed by Congress in the 1988 Trade Act.

The 1974 Trade Act provided a process for restoring MFN to those nations then denied it. However, only a portion of Cambodia was denied MFN at the time the 1974 act was signed into law. There is no clear legal authority for restoring MFN to the entire nation under the procedures established by the 1974 Trade Act. It cannot be restored by reversing the action taken in 1975 through an Executive order because Cambodia's non-MFN trading status was made law in the 1988 Trade Act. In short, the President wants to grant MFN to Cambodia, but lacks the authority to do so.

The legislation I am introducing would give the President the authority to grant Cambodia MFN status by bringing the entire country under the restoration procedure of the 1974 Trade Act. Under these procedures, Cambodia will have to demonstrate compliance with the requirements of the Jackson-Vanik amendment, reach a bilateral agreement with the United States, and have its status approved by the Congress. The President may also waive the requirements of the Jackson-Vanik, which has for political reasons come to mean a policy decision far beyond the original concern for emigration, and immediately upon this legislation becoming law, extend MFN to Cambodia. Cambodia would be eligible to receive MFN virtually the same process that all other non-MFN countries, except the Baltics, have received it since the signing of the 1974 Trade Act.

I want to emphasize that if this bill becomes law, the President will retain his prerogatives to respond to developments in Cambodia.

Despite some disturbing developments in Cambodia since I introduced this legislation for the first time last May, I remain hopeful for the future of Cambodia. Cambodia's democracy is a very fragile and incomplete one, but it is a democracy. It needs careful attention to fully develop and sustain the rights of the Cambodian people. Promoting economic development through open markets would offer considerable support for Cambodian democracy and demonstrate American concern for its future. I encourage my colleagues to...
act on legislation to grant MFN to Cambodia at the earliest possible opportunity.

By Mr. THOMPSON (for himself, Mr. ASHCROFT, Mr. ABRAHAM, Mr. BOND, Mr. BROWN, Mr. BURNS, Mr. COVERDELL, Mr. CRAIG, Mr. FAIRCLOTH, Mr. FRIST, Mrs. HUTCHISON, Mr. INHOFE, Mr. MACK, Mr. PACKWOOD, Mr. SMITH, and Mr. THOMAS):

S.J. Res. 21. A joint resolution proposing a constitutional amendment to limit congressional terms; to the Committee on the Judiciary.

TERM LIMITS CONSTITUTIONAL AMENDMENT

Mr. THOMPSON. Mr. President, today, I, along with Senator ASHCROFT, will introduce a joint resolution to impose term limits on Members of Congress. This legislation will limit Members of the Senate to two terms and it will limit Members of the House to three terms. The time has come to pass this legislation. It is needed and it has the overwhelming support of the American people. It has been an idea so popular that has received so little attention by the U.S. Congress. It is because term limits does not have to do with spending other people’s tax money or regulating other people’s lives. The case was made in those deliberations that those who have represented the people of this nation for so long have served much longer than the limits of this legislation would allow. A case can be made for the proposition that up until recently our current system has served us pretty well. There is no need to argue that point. However, different times and different circumstances require different measures. As the Federal Government has grown in size, power, and influence, special interest groups each with their demand on the Treasury and each holding a carrot and a stick for every Member of Congress. The carrot is political and financial support. And the stick is more often than not the threat of removing a Member from public policy development.

The question is not whether we will permit the American people to determine the course of their own future, but whether or not they want to participate in public policy development.

Mr. ASHCROFT. Mr. President, 1994 was a watershed year in America. Our society seldom heard in the halls of policy the voices of the ordinary American people. They want the opportunity to participate in public policy. They want to be involved. They want to be heard. They want the right to self-government. They want the opportunity to vote on legislative determinations, whether we will let the executive branch, has slammed the door in the face of the people, saying they have no right to make such a determination; States and the people have no right to establish term limits, the judicial branch considering the case is likely to slam the door, as well, saying the people have no right to chart the course of their own future, to establish limits on the terms of those who have the privilege of representing the people in making public policy decisions here in Washington.

Some say that the States can decide on term limits, but the courts have struck those statutes down almost uniformly. In one remaining case, the Arkansas case, the Attorney General, the executive branch, has slammed the door in the face of the people, saying they have no right to establish term limits, the legislative branch, the Congress, has thrown the door in the face of the people. They have, in effect, said, "We are going to do it our way."

The judicial branch considering the case is likely to slam the door, as well, saying the people have no right to chart the course of their own future, to establish limits on the terms of those who have the privilege of representing the people in making public policy decisions here in Washington.

Congress, then, the last remaining branch of Government, holds the key to opening the door of self-governance to the people.

Back in 1951, the Congress sent to the American people the opportunity to enact term limits for the President. Congress could not enact them, but it called upon the people to make a judgment to participate in the process of public policy development.

Presidential term limits were not imposed by the Congress. The door of decision-making was swung wide for the people of this great country to decide whether or not they wanted term limits. We wanted term limits. We have decided to let our children and grandchildren make the tough choices. We want term limits and I urge my colleagues to join the front lines and to defend our right to self-government.

I have a hint about what the American people believe and how they think. Twenty-two States have already overwhelmingly endorsed this concept. And of the States given the opportunity to make such a decision, the people voted to limit term lengths. The American people have voted and without exception have endorsed the understanding that people should not go to Washington for an entire lifetime, but should go expecting to return from public service.
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The question then is, will we let the people decide or will we slam the door of self-governance in the face of the American people again? We must let the people decide.

It is time for us to acknowledge again the principle of self-governance. Let the people decide.

It is not enough to trust our people, the people of America, as our forefathers did. Let the people decide.

Let us demolish the misleading myth that Congress exists to protect people from themselves. We must instead respect the reality that there is wisdom in the people. We must acknowledge the reality that self-governance is not simply a politically expedient idea, it is, in fact, governmentally beneficial.

The people are eager to participate in shaping the tomorrows in which they live and in which all of us work. They are demanding the opportunity to decide whether or not to limit the terms of Members of this body and of the U.S. House of Representatives.

As servants of the people, we must pass a resolution on term limits that recognizes that term limits cannot be in the exclusive province of the House or Senate, but this is a decision to be reached by the American people. This is an opportunity for self-governance.

They have spoken with clarity and intensity this year, saying they want us to reopen the door of opportunity to decision-making and let them decide. I submit that we must respond to their call; that we must pass a resolution on term limits and thereby let the people decide to enact or reject term limits as they would apply to the U.S. House of Representatives and the U.S. Senate.

Mr. BOND. Mr. President, my colleague from Missouri comes to the floor for his first floor statement on an issue that will not surprise any of his fellow Missourians, and that is a message of change.

Change is what JOHN ASHCROFT talked about so clearly during his campaign, and now he is doing exactly what he told the people of Missouri he would do if they sent him here—to be a leader for change.

I take great pleasure in cosponsoring this legislation for term limits, because I think this is a very important first step toward doing actually what the people so clearly indicated they wanted done last November. It is no surprise to me that JOHN ASHCROFT is leading this fight.

JOHN is an old and very dear friend. I have come to know him as an American patriot. He believes in this country and its people. He is able to cut through the fog of confusion that so often surrounds public policy issues. Missourians know him as a plain speaker in the finest Missouri tradition. He knows what he believes and how to say it so everyone knows just exactly what he believes. We once had a President with the same reputation. We once had a speaker in the finest Missouri tradition. He knows what he believes and for our God.

Earlier this month, JOHN's father, Dr. J. Robert Ashcroft a highly respected educational and religious leader, passed away after returning home to Missouri from witnessing JOHN's swearing-in as a U.S. Senator in this Chamber. Dr. Ashcroft's passing was a great loss to Missouri, but his contribution, his memory, and his commitment will live on. We have suffered the loss along with JOHN and his family, but we know that he knew his son would continue his efforts to serve, and to serve his fellow man. We all give thanks for Dr. Ashcroft's life and the many lives which he touched while he was with us.

JOHN ASHCROFT has served as Missouri's State auditor—he followed me in that job—and then he served as attorney general, following John Danforth. He followed me as Governor. He understands State government and its relationship with the Federal Government. He also knows something about cleaning up the problems that have been left behind.

At a time when Congress will reexamine the relationship and hopefully return much of the decisionmaking back to the States, Americans will have no better leader than JOHN ASHCROFT.

So we hear today from a plain-spoken Missourian what will undoubtedly be the first of many clearly reasoned, morally grounded floor speeches from our good friend, JOHN ASHCROFT.

I would say that our fellow Senators will understand very well his contributions. We value JOHN ASHCROFT's friendship. We welcome him and his wife, Janet, to Washington. I am confident that all my colleagues will come to know and respect him as I have. It will be a great and very meaningful friendship for all Members.

By Mr. GRAMS (for himself, Mr. LOTT, Mr. INHOFE, Mr. THOMAS, Mr. GRAMS, and Mr. MACK): Senate Joint Resolution 22. A joint resolution proposing an amendment to the Constitution of the United States to require a balanced budget; to the Committee on the Judiciary.

THE TAXPAYER PROTECTION BALANCED BUDGET AMENDMENT

Mr. GRAMS. Mr. President, I am today introducing legislation calling for a balanced budget amendment to the Constitution. I am pleased to be joined by the distinguished majority whip, Senator LOTT, and my colleagues, Senator INHOFE, and THOMAS.

The supermajority requirement is the best way to show the American taxpayers that Congress is serious about balancing the budget through spending cuts, and not through higher taxes.

That's what I promised the taxpayers of Minnesota during my campaign for the U.S. Senate. That's what they elected me to do. That's what my bill delivers.

Is there enough support in Congress to pass it? If we listen to the folks back home there sure ought to be.

A poll released today by the American Conservative Union that shows that the American people overwhelmingly support the supermajority requirement.

In fact, two thirds of those who already support a balanced budget amendment say that without a supermajority provision, the bill would be a sham.

The people have spoken. A balanced budget must be achieved through cuts in Government spending. Americans are willing to do that, but they aren't willing to be patsies for a big-spending government that just hasn't learned what to say "no."

The supermajority requirement is simply good government, and Americans support it just as they support the $500 per-child tax credit. They're tired of watching their paychecks grow smaller while Washington grows bigger.

They voted for change last November, and it's our job to see that they get it.

At the request of Mr. M CCONNELL, the names of the Senator from Arizona [Mr. K YL] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 37, a bill to repeal the Medicare and Medicaid Coverage Data Bank, and for other purposes.

At the request of Mr. M CCAIN, the names of the Senator from Arizona [Mr. MCLOUGHLIN] and the Senator from California [Ms. B OXER] were added as cosponsors of S. 218, a bill to repeal the National Voter Registration Act of 1993, and for other purposes.

At the request of Mr. BRYAN, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 228, a bill to amend certain provisions of title V, United States Code, relating to the treatment of Members of Congress and Congressional employees for retirement purposes.

At the request of Mr. D OLE, the names of the Senator from Arizona [Mr. K YL] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 194, a bill to repeal the Medicare and Medicaid Coverage Data Bank, and for other purposes.

At the request of Mr. M CCONNELL, the names of the Senator from Kansas [Mr. D OLE] and the Senator from North Carolina [Mr. HARRIS] were added as co-sponsors of S. 218, a bill to repeal the National Voter Registration Act of 1993, and for other purposes.

At the request of Mr. BRYAN, the name of the Senator from South Dakota [Mr. P PRESSLER] was added as a co-sponsor of S. 228, a bill to amend certain provisions of title V, United States Code, relating to the treatment of Members of Congress and Congressional employees for retirement purposes.

At the request of Mr. D OLE, the names of the Senator from California [Ms. B OXER] and the Senator from California [Ms. F EINSTEIN] were added as cosponsors of S. 230, a bill to prohibit United States assistance to countries that prohibit or restrict the transport or delivery of United States humanitarian assistance.