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House of Representatives

The House met at 1 p.m. and was called to order by the Speaker pro tempore [Mr. RADANOVICH].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 14, 1995.

I hereby designate the Honorable GEORGE P. RADANOVICH to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. James Merritt, First Baptist Church, Snellville, GA, offered the following prayer:

Our Father in heaven, we praise You today because You are omnipotent, there is nothing impossible for You; for being omniscient, You are all wise and all knowing; for being omnipresent, which means that You are in this Chamber today.

You have blessed this Nation as no other nation in the history of the world. We thank You today for Your goodness and Your blessings upon us.

We pray today for the men and the women who represent our Nation, who give their lives to public service. We pray today that You will given them the wisdom to do what is good in Your sight and give them the courage to do what is morally right, rather than what may be politically expedient.

We ask Your forgiveness for our sins, for the times that we have rejected Your counsel, neglected Your commands. Remind us again today, blessed is the nation whose God is the Lord. Send a revival to this Nation. May it begin in these hallowed Halls.

We pray it in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. RADANOVICH). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Tennessee [Mr. CLEMENT] come forward and lead the House in the Pledge of Allegiance.

Mr. CLEMENT led the Pledge of Allegiance as follows:

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. This afternoon the Chair will recognize ten 1-minute speeches on either side of the aisle as agreed to by the leadership.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1530. An act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1530) ''An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THURMOND, Mr. WARNER, Mr. COHEN, Mr. MCCAIN, Mr. LOTT, Mr. COATS, Mr. SMITH, Mr. KEMPTHORNE, Mrs. HUTCHISON, Mr. INHOFE, Mr. SANTORUM, Mr. NUNN, Mr. EXON, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. GLENN, Mr. BYRD, Mr. ROBB, Mr. LIEBERMAN, and Mr. BRYAN, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1124. An act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes;

S. 1125. An act to authorize appropriations for fiscal year 1996 for military construction, and for other purposes; and

S. 1126. An act to authorize appropriations for fiscal year 1996 for defense activities of the Department of Energy, and for other purposes.

WELCOME TO REV. DR. JAMES MERRITT, GUEST CHAPLAIN

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

Mr. LINDER. Mr. Speaker, it is my great good pleasure to welcome to the House today, Dr. James Merritt, pastor of the First Baptist Church of Snellville, GA.

Dr. Merritt is not my pastor—but he is my friend. I enjoy attending his church to listen to a man of God speak the truth.

His knowledge of the Bible, and his ability to share his understanding of it

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with others, has found an appreciative audience beyond Georgia as he has carried the eternal message to others.

His commitment to family has led him and his wife, Teresa, to home school their sons James, Jonathon, and Jushua.

His and Teresa's concern for their son's education is worth the immense commitment of time and energy required of them.

Last, it is always good politically to find myself in the company of such a respected public person who is more conservative than me.

Dr. Merritt is truly committed to faith, family, and freedom and it is my good fortune to call him friend.

THE CRIMINAL WELFARE PREVENTION ACT

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

Mr. CLEMENT. Mr. Speaker, yesterday I, along with Congressmen HERGER and SHAW, introduced bipartisan legislation to address the problem of prisoners receiving Social Security and SSI benefits while incarcerated, a violation of public law and a huge waste of taxpayer money.

I originally became aware of this issue last month when an inmate in my district who had been convicted of selling drugs in prison bailed himself out of jail with a Social Security check he was still receiving from the Social Security Administration. This legislation will begin to address the primary problem—the reporting of criminals to the Social Security Administration.

In a time when we are working tirelessly to eliminate Government waste, to ensure the viability of the Social Security Program, and to provide benefits for those who truly need them, surely we all agree that we don't need to be paying prisoners for their drug habits and bail money.

I call on my House colleagues to cosponsor H.R. 2320 and end this flagrant abuse of taxpayer money.

NATIONAL DYSTONIA AWARENESS WEEK

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

Mrs. MORELLA. Mr. Speaker, I rise to bring to the attention of my colleagues National Dystonia Awareness Week, which will be commemorated nationwide September 16–23.

Dystonia is a neurological movement disorder that can take many forms—all of which are frequently misdiagnosed or even undiagnosed. It is characterized by involuntary muscular contractions which force certain parts of the body into abnormal, often painful movements or positions. Approximately 200,000 Americans suffer from dystonia, yet only about 5 percent of these individuals have obtained accurate diagnoses and proper treatment. Dystonia is a condition that fundamentally impacts the lives of nearly a quarter of a million Americans and their families, yet we have very little understanding of the condition, or of how we can ameliorate it.

The National Institutes of Health, through its researchers at NINDS, has increasingly recognized the importance of dystonia research, and I am pleased that the Appropriations Subcommittee on Labor-HHS has continued to urge continued NIH action in this area. It is my hope that, together with scientists and doctors across the Nation, our experts at NIH will be able to shed considerable insight into the mystery of dystonia.

Mr. Speaker, I would also like to recognize the diligent efforts of one of my constituents, Ms. Nancy Aldrich, who has worked tirelessly to bring the issue of dystonia to the Congress' attention. With the efforts of Ms. Aldrich and many individuals like her, we will one day put dystonia behind us.

FRENCH COLONIALISM IN TAHITI IN THE EVE OF THE 21ST CENTURY

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

Mr. FALEOMAVAEGA. Mr. Speaker, despite international pleading, protests, and appeals, France resumed nuclear testing in the South Pacific on September 5, 1995, at Morurua Atoll, exploding a nuclear bomb 10 times more powerful than the bomb dropped on Hiroshima. Sixty miles away, 3 days before, on the island of Tureia, Tahitian children splashed and played in the ocean waves, unaware that a man named Chirac would forever mar their innocent way of life.

Chirac's decision to promote nuclear proliferation, at the expense of a peaceful people, is a chilling commentary on man's inhumanity to man. If fact, it is an atrocity, a crime against humanity, not unlike the French Government's earlier decision to forcibly deport 75,000 of its own French citizens to Nazi concentration camps where it is said that only 1,000 of those deported survived.

France's resumption of nuclear testing, especially in waters other than its own, is nothing less than a classic example of rancid colonialism; an old world ideology politicized by dominant cultures as a means to marginalize, oppress, and make expendable the lives of some 200,000 Polynesian Tahitians. Every enlightened French citizen should be ashamed that such atrocity reigns in the hands of its current leader, President Chirac.

THE LOST BATTALION

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

Mrs. SEASTRAND. Mr. Speaker, there they go again, the desperate leaders of the Lost Battalion of the Democrat Left, riding off today on another mean-spirited mission to misinform and terrorize the elderly.

What a pitiful sight it is to see the leaders of a party once entrusted with 40 consecutive years of control of this Congress now cowering and running away from the fight to save Medicare from bankruptcy.

Afraid to point the way with a plan of their own, they're content simply to point a misdirected finger of blame.

Surely, these so-called leaders don't speak for the dwindling membership of the Democrat caucus, the men and women whose loyalty belongs to the people who elected them to serve, to face the tough problems and find answers, not run and hide from the truth and blindly follow the Lost Battalion of the Left down the path of political retreat.

To those Members, we offer our hand and welcome you to join us in a mission worthy of this institution—a mission to ensure a comprehensive, secure, affordable health insurance plan for every retired American now and in the future.

THE BIG DAY IS FINALLY HERE

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

Mr. DOGGETT. Mr. Speaker, well, the big day is finally here and all of America is happy. The time is here. After months of being Medi-scared to level with the American people and tell them how much their pockets are going to be picked to provide the same level of health care, Mr. Speaker, today is the day that has finally been announced by the Republicans as the day they will unveil the details of their Medicare plan. The Speaker has put out notice on national TV that we would finally get the details of how deep into the pockets of our senior citizens they are going to reach in order to provide a tax break for the privileged few.

The Republican bright lights, and some of the not so bright lights, were all assembled. All the luminaries were gathered. And what details were provided? Absolutely none.

Mr. Speaker, after all this waiting, after all this attention to the great performance, it is as if they forgot the words to the song. Now we know absolutely nothing more than we did before, and that is only that it is going to cost American seniors billions of dollars to pay for this tax break for the privileged few.

JOIN TOGETHER TO SAVE MEDICARE

(Mr. HAYWORTH asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, once again I listen with great interest to my friend from Texas, and so many folks on this side of the aisle, who once again are engaged in an active policy not of saving Medicare, but of Mediscare.

Mr. Speaker, there is one lesson I learned since coming to this Congress. It is a sad lesson, but I have to tell it in all sincerity to the American people. So often what we see happen on this floor has absolutely nothing to do with policy and everything to do with politics.

Mr. Speaker, it is a sad day when the guardians of the old order, so jealous of the majority that they once used to possess, will do absolutely anything to scare America's seniors.

Here is the fact: Even if the budget were balanced today, we would still have problems with Medicare. It is the role of every American, Republican, Democrat, and Independent alike, to step forward to save the program.

Once again, friends on this side of the aisle, join with us. Join with us and save this program.

''DON'T ASK, WON'T TELL''

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

Mrs. SCHROEDER. Mr. Speaker, well, now we know what their plan is for Medicare. It is, ''Don't ask, won't tell.''

They tell us they are going to save it, but they will not tell us one detail as to how they are going to save it. If they have got such a harmless way of saving it, why do they not tell us?

Mr. Speaker, there was just a 4-hour Republican conference in which they were telling them all sorts of things, but we still do not have one detail.

What do we hear we will find out? There is going to be 1 day of hearings. My word, there were days and days and days of hearings when this was put together.

Yes, we have a way to save Medicare. We save it by not killing it. They do not want us to know it is going to be killed. But when we ask them, when we ask them for one detail about Medicare, do not ask, because they will not tell. They just come down and scream politics, old order, and throw names around, but they will not throw the first fact out.

Stop throwing names around. Stop calling names. Throw facts out. That is what we want.

WASHINGTON POST AND WALL STREET JOURNAL PRAISE REPUBLICAN PLAN FOR MEDICARE

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

Mr. HOKE. Mr. Speaker, we have had more than 2 dozen congressional hearings, thousands and thousands of pages of testimony, dozens of town meetings and open forums. Every Member on this side of the aisle has solicited the advice, the consent, the input of their constituents to find out what is the best way to go about this. This notion that somehow this has been done behind closed doors is so pathetic and misleading and is another one of their tactics.

Mr. Speaker, I want to ask today, what exactly is it that the Washington Post and the Wall Street Journal have in common? Well, they have both applauded congressional Republicans for having the courage of attacking the impending bankruptcy of Medicare.

As I reported yesterday, the Post wrote the Republicans have, ''forcefully taken the right position on the basic issue of controlling costs.''

Then the Wall Street Journal said ''the emerging GOP plan—to save Medicare—so far looks like the best news for American health care in years.''

There we have it. The most liberal paper in America and the most conservative paper in America both agree that the Republicans are on the right track and they both chide the Democrats for playing partisan political games with one of the most important issues in the land.

It is not too late for my Democrat colleagues to put aside the partisan rhetoric and join us in saving Medicare.

□ 1315

WHERE IS THE MEDICARE PLAN?

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

Ms. DELAURO. Mr. Speaker, as the saying goes, the devil is in the details. Today was the day that the Republican leadership was supposed to reveal the details of their secret plan to cut $270 billion in Medicare to pay for a tax cut for the wealthy. But they lost their nerve. And, I do not blame them.

You see, the Republican leadership wants to keep this plan under wraps for as long as possible, because they do not want America's seniors to see a plan that would double their copayments and force them to give up their doctors.

The House leadership has also announced that they will only allow 1 day of hearings on Medicare. One day. This amounts to a gag order on America's seniors.

Instead of a plan, we got platitudes today. Instead of revealing the details of the GOP plan to cut $270 billion from Medicare, Speaker GINGRICH instead revealed his goal to, quote, ''tell the truth.'' Well, Mr. Speaker, the truth is that 37 million Americans rely on Medicare for their health care. The truth is that they deserve to be heard. The truth is that they deserve to know how your plan will impact their lives.

GET OUT OF BOSNIA NOW

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

Mr. BAKER of California. Mr. Speaker, America is a great country because the Government is run by free people, bound by a great document, the Constitution.

Despite our overwhelming strength, our Nation walked softly and carried a big stick. But in Bosnia we changed all the rules. Lines were drawn creating a government which forced orthodox Serbians and Catholic Croatians to live presumably under Moslem rule. Ethnic rivalries and hatreds were inflamed by the thought of 500-year-old villages being ruled by long-time enemies.

Our Government now is bombing our World War II allies, the Serbs, one of the belligerents in the civil war started by the drawing of these lines.

What right do we have to use our military might 6,000 miles away from home? Has Congress been consulted?

Since there is no NATO country involved, how can it legally be a NATO action? Is this another unauthorized U.N. action? Who will pay the $5 billion for our involvement in this misguided war?

America will remain a free and great country only if we continue to live under our Constitution. Get out of Bosnia now.

SAVING MEDICARE: DO NOT HARM SENIOR CITIZENS

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

Mr. GEJDENSON. Mr. Speaker, I think we have to look at history when we are trying to examine a debate. Our friends on the Republican side of the aisle come today with a masked proposal, a hidden proposal to tell us they are going to save Medicare.

The Democrats over the years have repaired the Medicare system over and over again. This is not the first time the trust fund has had some problems. In the 1970's and 1980's, time and time again we repaired it. We started off from a position where we believed in Medicare. We wanted the system to serve our senior citizens.

Let us listen to the words of the gentleman from Texas [Mr. ARMEY], the majority leader. If he had his way, he would have no part in Medicare. If he had his way, I think what we would do is we would all have no Medicare.

Our mothers and fathers and grandparents worked hard, fought in the wars to protect this country. We now need to keep the contract with them, not put them into bankruptcy, not raid the Medicare system, but fix the program to make sure that it is there for

future generations. We know there is a health care crisis in this country.

The good news has been seniors have not been part of it. The Republicans are going to put seniors in that crisis.

INTRODUCTION OF LEGISLATION INCORPORATING THE BUDGET RESOLUTION INTO LAW

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

Mr. SMITH of Michigan. Mr. Speaker, I wonder how many Americans feel that there is fraud and abuse, wasteful spending, that there is fat in this Federal Government, that the overspending of the Federal Government is leading us into a debt situation that is going to be intolerable for our kids and our grandkids.

Over the last couple of months, as Republicans have tried to cut spending, in every occasion the other side of the aisle says, ''Well, you are cruel and mean-spirited.'' I am afraid that we are not going to reach a balanced budget; I think we need more legislative determination to assure that we do that.

I have introduced a bill called H.R. 2295 that incorporates the budget resolution that we passed, in the House and the Senate, into law. It changes the 1974 Budget Act to incorporate into law those spending caps that will last until 2002. That legislation is going to help give politicians the intestinal fortitude to do what we should do, and that is balance the budget.

THE REPUBLICAN STUDENT LOAN PLAN

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

Mr. CHAMBLISS. Mr. Speaker, I could not believe what I heard from my colleagues on the other side of the aisle the other day. They were saying that the Republicans are wrecking education and destroying millions of Americans' future. This is an issue very near and dear to my heart. Both my wife and daughter are public school teachers, my children grew up in public schools, and I know how important education is to future generations.

The problem is that President Clinton does not want to balance the budget. If he did, he would stop coming to Congress with his plans that only increase Government taking and Government spending. President Clinton believes in big government. In fact, he thinks the solution to our student loan problems is to convert the Department of Education into one of America's largest banks and the IRS into a loan collection agency. One thing I have come to learn in my short time in Washington is that the Federal Government has failed miserably as a lender of money.

The Republicans balanced budget proposal does not cut a single student loan. In fact, more loans will be available next year than ever in the history of the program. This can be accomplished, not in the public, but the private sector.

What is the Democrat alternative? Well, as usual, big Government.

TAX CUT FINANCED BY MEDICARE CUT

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

Mr. DURBIN. Mr. Speaker, during the closing weeks of this legislative debate, the people of the United States should focus on two numbers, 270 and 235. Keep those numbers in mind during the course of this debate about balancing the budget and the future of Medicare.

You see, the Republicans have proposed $270 billion in cuts in Medicare over the next 7 years, cuts which will raise the cost of Medicare for seniors, limit the medical procedures that are covered, reduce the opportunity for a senior citizen to choose his or her own doctor, reduce provider payments to hospitals and doctors, $270 billion in cuts. They tell us we need it to balance the budget.

Do not forget the other number, 245, $245 billion tax cut which the Republicans are proposing while we are trying to balance the budget. Is it not amazing how close those two numbers are, 270 and 245? If the Republicans would give up on the $245 billion tax cut, we would not have to cut Medicare.

THE REAL QUESTIONS ABOUT MEDICARE

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

Ms. JACKSON-LEE. Mr. Speaker, my colleague on the other side of the aisle asked if we who have spoken about this very important issue of Medicare would simply join him in trying to fix it.

Let me share just a portion of the letters that I have gotten from senior citizens who say, ''Yes, fix it, but save Medicare,'' and the real questions begin to come out, and those questions are, in fact, what the real issues are about Medicare's survival.

No, it is not bankrupt. Yes, we need to fix fraud and abuse. The real question is the $245 billion cut in Medicare that is being proposed to pay for tax cuts for the wealthy.

What are the other questions? No. 1, the increased premium costs that will go to your seniors and those working-class Americans who have to take care of their parents. The other question? The lack of choice by seniors and whether or not HMO's will be willing to take the least healthy of our seniors, those who are the most sick, and whether or not in rural and urban centers in America, those seniors will fall either upon you the taxpayer or fall upon hard times because of an inability to get proper health care. Those are the real questions I ask my colleagues on the other side of the aisle. Let us fix it for the seniors. Save Medicare the right way.

SENIORS CANNOT AFFORD INCREASED MEDICARE COSTS

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

Mr. PALLONE. Mr. Speaker, I listened this morning to what the Speaker said about the Medicare issue. I was very upset because of this suggestion that somehow this is all politics, and I assure you it is not about politics.

If you talk to seniors in my district, they are very concerned because they do not have the extra money to spend for an increased premium in Medicare part B. They are concerned because they have had the same doctor or they have been able to go to a hospital that is close by for a number of years, and now all of a sudden they are hearing that they may have to go into an HMO or a managed care system where they will not have the choice of the doctor that they have had for years or the hospital that is close by. They cannot afford it. They have a budget, some of them, where $10 or $15 a month makes all the difference in the world because that is all they have to spend after they have figures out their budget for a month, and whether we talk about a $7 increase or a $30 increase or a $50 increase in Medicare part B, they cannot afford that difference, because they simply do not have the money on the fixed income they are living on.

I also have to tell you about the hospitals and providers.

PERMISSION FOR CERTAIN COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. HAYWORTH. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Commerce, the Committee on Government Reform and Oversight, the Committee on the Judiciary, the Committee on Science, and the Committee on Transportation and Infrastructure.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. RADANOVICH). Is there objection to the request of the gentleman from Arizona?

There was no objection.

VACATING PROCEEDINGS ON SEPTEMBER 13, 1995, APPOINTMENT OF CONFEREES ON H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker I ask unanimous consent to vacate the proceedings of September 13, 1995, in which the House of Representatives disagreed to the Senate amendment to the bill, H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes and agreed to the conference requested by the Senate; provided that the order of the House of Representatives of the same day enabling closed meetings of the conference remain in effect.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker I ask unanimous consent to take from the Speaker's table the bill H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

There was no objection.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. OBEY

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

The Clerk read as follows:

Mr. OBEY moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 2126 be instructed to insist on Section 8075 of the House bill, limiting the allowable cost charged to the government for individual compensation to not more than $200,000 per year.

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes, and the gentleman from Florida [Mr. YOUNG] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

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

Mr. Speaker, my motion to instruct is very simple. Last week the House adopted a motion which limited to $200,000 the amount that could be paid to any executive in any defense corporation from any contract which they had with the U.S. Government or any agency of the U.S. Government.

In plain language, this simply says that any dollars that any defense contractor wants to provide by way of compensation to any of their executives above the salary paid to the President of the United States should be paid out of their profits and not out of contract receipts with the U.S. Government.

If you take a look at the salaries of some of the CEO's of these corporations, you will see that, for instance, one of them was paid nearly $15 million in 1994. I do not really believe that, when we have the massive downsizing going on in the military, when we have the squeeze that we have not only in the military budget but on domestic budgets as well, I do not think we have any business encouraging the payment of those outlandish salaries. I do not see why anybody in this country ought to have to make more than the President of the United States.

□ 1330

Mr. Speaker, I urge the adoption of this motion to instruct.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I might consume and simply say that, when the bill was before the House, we accepted the gentleman's amendment, and we accept his motion to instruct today, and, unless he has further speakers, I am prepared to yield back the balance of my time.

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

The SPEAKER pro tempore. (Mr. RADANOVICH). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Wisconsin [Mr. OBEY].

The motion to instruct was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. YOUNG of Florida, MCDADE, LIVINGSTON, LEWIS of California, SKEEN, HOBSON, BONILLA, NETHERCUTT, NEUMANN, MURTHA, DICKS, WILSON, HEFNER, SABO, and OBEY.

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2126.

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

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 1817, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, September 14, 1995, to file a conference report on the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

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

There was no objection.

FEDERAL ACQUISITION REFORM ACT OF 1995

The SPEAKER pro tempore. Pursuant to House Resolution 219 and rule XXIII, the Chair declares the House in Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1670.

□ 1333

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, with Mr. WELLER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, September 13, 1995, title III was open for amendment at any point.

Are there any amendments to title III?

AMENDMENT OFFERED BY MR. SPRATT

Mr. SPRATT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRATT: At the end of title III (page 100, after line 12), insert the following new section:

SEC. 319. DEMONSTRATION PROJECT RELATING TO CERTAIN PERSONNEL MANAGEMENT POLICIES AND PROCEDURES.

(a) COMMENCEMENT.—The Secretary of Defense is encouraged to take such steps as may be necessary to provide for the commencement of a demonstration project, the purpose of which would be to determine the feasibility or desirability of one or more proposals for improving the personnel management policies or procedures that apply with respect to the acquisition workforce of the Department of Defense.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, any demonstration project described in subsection (a) shall be subject to section 4703 of title 5, United States Code, and all other provisions of such title that apply with respect to any demonstration project under such section.

(2) EXCEPTIONS.—Subject to paragraph (3), in applying section 4703 of title 5, United States Code, with respect to a demonstration project described in subsection (a)—

(A) ''180 days'' in subsection (b)(4) of such section shall be deemed to read ''120 days'';

(B) ''90 days'' in subsection (b)(6) of such section shall be deemed to read ''30 days''; and

(C) subsection (d)(1)(A) of such section shall be disregarded.

(3) CONDITION.—Paragraph (2) shall not apply with respect to a demonstration project unless it—

(A) involves only the acquisition workforce of the Department of Defense (or any part thereof); and

(B) commences during the 3-year period beginning on the date of the enactment of this Act.

(c) DEFINITION.—For purposes of this section, the term ''acquisition workforce'' refers to the persons serving in acquisition positions within the Department of Defense, as designated pursuant to section 1721(a) of title 10, United States Code.

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

Mr. SPRATT. Mr. Chairman, I have been here for 7 terms now, and I have seen the cycles rise and cycles fall with respect to defense procurement policy making. In one period we get very prescriptive about the rules we make, and the next period we realize that we have been overprescriptive, we have been much too specific, and we back off and give the Department of Defense, in particular, more running room, more discretion, more flexibility, and more responsibility. But always mainly our effort is directed towards the black-letter rule, the procedures, and yet most of us who have ever been involved in running a business realize that when our businesses succeeded or failed, it was not the rule book or the policy manual we turned to first. It was the people who worked for us, and I think we should heed that own practical experience when we look at the defense procurement, and, in revisiting the rules one more time, making another cut at the rules to see if we cannot make defense procurement much more efficient.

I do not think we should overlook the fact that we have got to do something about the quality, the calibre, the incentives, the rewards, the accountability of the acquisition work force, and that is the purpose of my amendment. My amendment simply encourages the Secretary of Defense to set up pilot projects to improve acquisition or procurement by improving the people who manage the system. It will allow far greater flexibility in hiring, and firing, and promoting, and incentivizing the people who work in defense acquisition.

Frankly, Mr. Chairman, I would go further than this particular amendment does. I would actually impose upon the Secretary of Defense a requirement that he undertake certain demonstration projects to test out the viability or feasibility of flexing up his personnel policies in the acquisition work force, but in the interests of achieving a consensus this bill, this amendment, simply encourages the Secretary to do that and to use authority that is already on the books, title 5, section 4703, United States Code, which gives that same authority to the Office of Personnel Management.

This particular amendment simply starts out by saying the Secretary of Defense is encouraged to utilize that authority and to undertake demonstrational pilot projects that will experiment with, attempt on a broad scale, much more flexible and innovative procedures in hiring, and firing, and rewarding, and penalizing those who fail or succeed.

This is a first step, and is long overdue, towards implementing one of the key reforms that was recommended 10 years ago by the Packard Commission. In its report in 1986 the Packard Commission said DOD must be able to attract, and retain, and motivate well-qualified acquisition personnel. The Packard Commission recognized that acquisition reform would not happen if we just rewrite the rule book. This is an exercise that we do frequently, and we wonder why we do not get results. It is because we are not doing enough to change the people that implement and follow the rules. We have to upgrade the caliber of people who manage acquisition. We have got to reward them for good performance, penalizing or replacement for inadequate performance, and, above all, hold them accountable. My amendment would allow the DOD to restructure their personnel regulations for acquisition managers without regard to existing classifications in the Civil Service Code in order to attract better technical talent to keep people who are knowledgeable and capable, and reward them accordingly, and to motivate the whole work force better.

Mr. Chairman, this reform is not only recommended by the Packard Commission, but by the National Academy of Public Administration, once again more than 10 years ago, and our followup to it has been all too feeble.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Despite the fact the gentleman opposed my position on title I, I would say what I consider to be a very generous example of noblesse oblige, we are prepared to accept the gentleman's amendment, and I understand that any problems have been worked out with all the parties, and we are pleased to accept the amendment.

Mr. SPRATT. Mr. Chairman, I thank the gentleman for his magnanimity, as well as his support. I appreciate it.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. I am more than happy that this is really a great amendment. It is one that a great deal of work has been done by the gentleman from South Carolina [Mr. SPRATT] and of course we on this side accept this most wonderful amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Carolina [Mr. SPRATT]. The amendment seeks to implement a recommendation made in 1986 by the Packard Commission that the Secretary of Defense be given the authority to establish a flexible personnel system for DOD acquisition personnel.

I want to commend the gentleman for his efforts to perfect this amendment since the committee markup. His office worked closely with my staff and with the Office of Personnel Management [OPM] to produce language that enjoys bipartisan support.

The Spratt amendment encourages the Secretary to work with OPM to conduct this demonstration project under the framework of existing demonstration project authority, with a few minor changes. It waives the statutory cap which limits the number of employees involved to 5,000. This is necessary because there are about 6,500 individuals in DOD's civilian acquisition work force. The amendment also makes minor changes in some of the timeframes for notifications sent the affected employees and the Congress.

I believe this provision can lead to greater productivity on the part of acquisition personnel. I urge the adoption of the amendment.

Mr. SPRATT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. SPRATT].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. CHAMBLISS

Mr. CHAMBLISS. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. CHAMBLISS:

AMENDMENT NO. 6: (1) Strike out title IV (page 100, starting on line 13, and all that follows through line 18 on page 143) and insert in lieu thereof the following:

TITLE IV—STREAMLINING OF DISPUTE RESOLUTION

Subtitle A—General Provisions

SEC. 401. DEFINITIONS.

(a) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following:

''TITLE II—DISPUTE RESOLUTION

''Subtitle A—General Provisions

''SEC. 201. DEFINITIONS.

''In this title:

''(1) The term 'Defense Board' means the Department of Defense Board of Contract Appeals established pursuant to section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

''(2) The term 'Civilian Board' means the Civilian Board of Contract Appeals established pursuant to section 8(b) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

''(3) The term 'Board judge' means a member of the Defense Board or the Civilian Board, as the case may be.

''(4) The term 'Chairman' means the Chairman of the Defense Board or the Civilian Board, as the case may be.

''(5) The term 'Board concerned' means—

''(A) the Defense Board with respect to matters within its jurisdiction; and

''(B) the Civilian Board with respect to matters within its jurisdiction.

''(6) The term 'executive agency'—

''(A) with respect to contract disputes and protests under the jurisdiction of the Defense Board, means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force; and

''(B) with respect to contract disputes and protests under the jurisdiction of the Civilian Board, has the meaning given by section 4(1) of this Act except that the term does not

include the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force.

''(7) The term 'alternative means of dispute resolution' has the meaning given by section 571(3) of title 5, United States Code.

''(8) The term 'protest' means a written objection by an interested party to any of the following:

''(A) A solicitation or other request by an executive agency for offers for a contract for the procurement of property or services.

''(B) The cancellation of such a solicitation or other request.

''(C) An award or proposed award of such a contract.

''(9) The term 'interested party', with respect to a contract or a solicitation or other request for offers, means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract.

''(10) The term 'prevailing party', with respect to a determination of the Board under section 214(h)(2) that a decision of the head of an executive agency is arbitrary or capricious or violates a statute or regulation, means a party that showed that the decision was arbitrary or capricious or violated a statute or regulation.''.

(b) CONFORMING AMENDMENTS.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is further amended—

(1) by inserting the following before section 1:

''TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY'';

and

(2) in section 4, by striking out ''As used in this Act:'' and inserting in lieu thereof ''Except as otherwise specifically provided, as used in this Act:''.

Subtitle B—Establishment of Civilian and Defense Boards of Contract Appeals

SEC. 411. ESTABLISHMENT.

Subsections (a) and (b) of section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) are amended to read as follows:

''(a) There is established in the Department of Defense a board of contract appeals to be known as the Department of Defense Board of Contract Appeals.

''(b) There is established in the General Services Administration a board of contract appeals to be known as the Civilian Board of Contract Appeals.''.

SEC. 412. MEMBERSHIP.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 401, is further amended by adding at the end the following:

''SEC. 202. MEMBERSHIP.

''(a) APPOINTMENT.—(1)(A) The Defense Board shall consist of judges appointed by the Secretary of Defense from a register of applicants maintained by the Defense Board, in accordance with rules issued by the Defense Board for establishing and maintaining a register of eligible applicants and selecting Defense Board judges. The Secretary shall appoint a judge without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Defense Board judge.

''(B) The Civilian Board shall consist of judges appointed by the Administrator of General Services from a register of applicants maintained by the Civilian Board, in accordance with rules issued by the Civilian Board for establishing and maintaining a register of eligible applicants and selecting Civilian Board judges. The Administrator shall appoint a judge without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Civilian Board judge.

''(2) The members of the Defense Board and the Civilian Board shall be selected and appointed to serve in the same manner as administrative law judges appointed pursuant to section 3105 of title 5, United States Code, with an additional requirement that such members shall have had not fewer than five years of experience in public contract law.

''(3) Notwithstanding paragraph (2) and subject to subsection (b), the following persons shall serve as Board judges:

''(A) For the Defense Board, any full-time member of the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

''(B) For the Civilian Board, any full-time member of any agency board of contract appeals other than the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

''(C) For either the Defense Board or the Civilian Board, any person serving on the day before the effective date of this title in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code.

''(b) REMOVAL.—Members of the Defense Board and the Civilian Board shall be subject to removal in the same manner as administrative law judges, as provided in section 7521 of title 5, United States Code.

''(c) COMPENSATION.—Compensation for the Chairman of the Defense Board and the Chairman of the Civilian Board and all other members of each Board shall be determined under section 5372a of title 5, United States Code.''.

SEC. 413. CHAIRMAN.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 412, is further amended by adding at the end the following:

''SEC. 203. CHAIRMAN.

''(a) DESIGNATION.—(1)(A) The Chairman of the Defense Board shall be designated by the Secretary of Defense to serve for a term of five years. The Secretary shall select the Chairman from among sitting judges each of whom has had at least five years of service—

''(i) as a member of the Armed Services Board of Contract Appeals; or

''(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

''(B) The Chairman of the Civilian Board shall be designated by the Administrator of General Services to serve for a term of five years. The Administrator shall select the Chairman from among sitting judges each of whom has had at least five years of service—

''(i) as a member of an agency board of contract appeals other than the Armed Services Board of Contract Appeals; or

''(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

''(2) A Chairman of a Board may continue to serve after the expiration of the Chairman's term until a successor has taken office. A Chairman may be reappointed any number of times.

''(b) RESPONSIBILITIES.—The Chairman of the Defense Board or the Civilian Board, as the case may be, shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including functions of the Board with respect to the following:

''(1) The selection, appointment, and fixing of the compensation of such personnel, pursuant to part III of title 5, United States Code, as the Chairman considers necessary or appropriate, including a Clerk of the Board, a General Counsel, and clerical and legal assistance for Board judges.

''(2) The supervision of personnel employed by or assigned to the Board, and the distribution of work among such personnel.

''(3) The operation of an Office of the Clerk of the Board, including the receipt of all filings made with the Board, the assignment of cases, and the maintenance of all records of the Board.

''(4) The prescription of such rules and regulations as the Chairman considers necessary or appropriate for the administration and management of the Board.

''(c) VICE CHAIRMEN.—The Chairman of the Defense Board or the Civilian Board, as the case may be, may designate up to four other Board judges as Vice Chairmen. The Chairman may divide the Board into two divisions, one for handling contract disputes and one for handling protests, and, if such division is made, shall assign a Vice Chairman to head each division. The Vice Chairmen, in the order designated by the Chairman, shall act in the place and stead of the Chairman during the absence of the Chairman.''.

SEC. 414. RULEMAKING AUTHORITY.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 413, is further amended by adding at the end the following:

''SEC. 204. RULEMAKING AUTHORITY.

''(a) IN GENERAL.—Except as provided by section 452 of the Federal Acquisition Reform Act of 1995, the Chairman of the Defense Board and the Chairman of the Civilian Board shall jointly issue and maintain—

''(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Boards under sections 213 and 214; and

''(2) statements of policy of general applicability with respect to such functions.

''(b) BOARD PROCEDURES.—In issuing procedural rules and regulations for the exercise of the Boards' protest function under section 214, the Chairmen shall take due notice of executive agency procedures for the resolution of protests as a discretionary alternative to resolution of protests by the Boards and shall ensure that the rules and regulations governing the time for filing protests with the Boards make appropriate allowance for the use of such executive agency procedures by interested parties.''.

SEC. 415. AUTHORIZATION OF APPROPRIATIONS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 414, is further amended by adding at the end the following:

''SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated for fiscal year 1997 and each succeeding fiscal year such sums as may be necessary to carry out the provisions of this title. Funds for the activities of each Board shall be separately appropriated for such purpose. Funds appropriate pursuant to this section shall remain available until expended.''.

Subtitle C—Functions of Defense and Civilian Boards of Contract Appeals

SEC. 421. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 415, is further amended by adding at the end the following:

''Subtitle B—Functions of the Defense and Civilian Boards of Contract Appeals

''SEC. 211. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

''(a) REQUIREMENT TO PROVIDE SERVICES UPON REQUEST.—The Defense Board and the Civilian Board shall each provide alternative means of dispute resolution for any disagreement regarding a contract or prospective contract of an executive agency upon the request of all parties to the disagreement.

''(b) PERSONNEL QUALIFIED TO ACT.—Each Board judge and each attorney employed by the Board concerned shall be considered to be qualified to act for the purpose of conducting alternative means of dispute resolution under this section.

''(c) SERVICES TO BE PROVIDED WITHOUT CHARGE.—Any services provided by the Board concerned or any Board judge or employee pursuant to this section shall be provided without charge.

''(d) RECUSAL OF CERTAIN PERSONNEL UPON REQUEST.—In the event that a matter which is presented to the Board concerned for alternative means of dispute resolution, pursuant to this section, later becomes the subject of formal proceedings before such Board, any Board judge or employee who was involved in the alternative means of dispute resolution shall, if requested by any party to the formal proceeding, take no part in that proceeding.''.

SEC. 422. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 421, is further amended by adding at the end the following:

''SEC. 212. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

''With reasonable promptness after the submission to the Defense Board or the Civilian Board of a contract dispute under section 213 or a bid protest under section 214, a Board judge to whom the contract dispute or protest is assigned shall request the parties to meet with a Board judge, or an attorney employed by the Board concerned, for the purpose of attempting to resolve the dispute or protest through alternative means of dispute resolution. Formal proceedings in the appeal shall then be suspended until such time as any party or a Board judge to whom the dispute or protest is assigned determines that alternative means of dispute resolution are not appropriate for resolution of the dispute or protest.''.

SEC. 423. CONTRACT DISPUTES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 422, is further amended by adding at the end the following:

''SEC. 213. CONTRACT DISPUTES.

''The Defense Board shall have jurisdiction as provided by section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 601–613). The Civilian Board shall have jurisdiction as provided by section 8(b) of such Act.''.

SEC. 424. PROTESTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 423, is further amended by adding at the end the following:

''SEC. 214. PROTESTS.

''(a) REVIEW REQUIRED UPON REQUEST.—Upon request of an interested party in connection with any procurement conducted by an executive agency, the Defense Board or the Civilian Board, as the case may be, shall review, as provided in this section, any decision by the head of the executive agency alleged to be arbitrary or capricious or to violate a statute or regulation. A decision or order of the Board concerned pursuant to this section shall not be subject to interlocutory appeal or review.

''(b) STANDARD OF REVIEW.—In deciding a protest, the Board concerned may consider all evidence that is relevant to the decision under protest. The protester may prevail only by showing that the decision was arbitrary or capricious or violated a statute or regulation.

''(c) NOTIFICATION.—Within one day after the receipt of a protest, the Board concerned shall notify the executive agency involved of the protest.

''(d) SUSPENSION OF CONTRACT AWARD.—(1) Except as provided in paragraph (2) of this subsection, a contract may not be awarded in any procurement after the executive agency has received notice of a protest with respect to such procurement from the Board concerned and while the protest is pending.

''(2) The head of the procuring activity responsible for award of a contract may authorize the award of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

''(A) upon a written finding that urgent and compelling circumstances which significantly affect interests of the United States will not permit waiting for the decision of the Board concerned under this section; and

''(B) after the Board concerned is advised of that finding.

''(3) A finding may not be made under paragraph (2)(A) of this subsection unless the award of the contract is otherwise likely to occur within 30 days after the making of such finding.

''(4) The suspension of the award under paragraph (1) shall not preclude the executive agency concerned from continuing the procurement process up to but not including the award of the contract.

''(e) SUSPENSION OF CONTRACT PERFORMANCE.—(1) A contractor awarded an executive agency contract may, during the period described in paragraph (4), begin performance of the contract and engage in any related activities that result in obligations being incurred by the United States under the contract unless the contracting officer responsible for the award of the contract withholds authorization to proceed with performance of the contract.

''(2) The contracting officer may withhold an authorization to proceed with performance of the contract during the period described in paragraph (4) if the contracting officer determines in writing that—

''(A) a protest is likely to be filed; and

''(B) the immediate performance of the contract is not in the best interests of the United States.

''(3)(A) If the executive agency awarding the contract receives notice of a protest in accordance with this section during the period described in paragraph (4)—

''(i) the contracting officer may not authorize performance of the contract to begin while the protest is pending; or

''(ii) if authorization for contract performance to proceed was not withheld in accordance with paragraph (2) before receipt of the notice, the contracting officer shall immediately direct the contractor to cease performance under the contract and to suspend any related activities that may result in additional obligations being incurred by the United States under that contract.

''(B) Performance and related activities suspended pursuant to subparagraph (A)(ii) by reason of a protest may not be resumed while the protest is pending.

''(C) The head of the procuring activity may authorize the performance of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

''(i) upon a written finding that urgent and compelling circumstances that significantly affect interests of the United States will not permit waiting for the decision concerning the protest by the Board concerned; and

''(ii) after the Board concerned is notified of that finding.

''(4) The period referred to in paragraphs (2) and (3)(A), with respect to a contract, is the period beginning on the date of the contract award and ending on the later of—

''(A) the date that is 10 days after the date of the contract award; or

''(B) the date that is 5 days after the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required.

''(f) The authority of the head of the procuring activity to make findings and to authorize the award and performance of contracts under subsections (d) and (e) of this section may not be delegated.

''(g) PROCEDURES.—

''(1) PROCEEDINGS AND DISCOVERY.—The Board concerned shall conduct proceedings and allow discovery to the minimum extent necessary for the expeditious, fair, and cost-effective resolution of the protest. The Board shall allow discovery only in a case in which the Board determines that the written submissions of the parties do not provide an adequate basis for a fair resolution of the protest. Such discovery shall be limited to material which is relevant to the grounds of protest or to such affirmative defenses as the executive agency involved, or any intervenor supporting the agency, may raise.

''(2) PRIORITY.—The Board concerned shall give priority to protests filed under this section over contract disputes and alternative dispute services. Except as provided in paragraph (3), the Board concerned shall issue its final decision within 65 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman. An amendment that adds a new ground of protest should be resolved, to the maximum extent practicable, within the time limits established for resolution of the initial protest.

''(3) THRESHOLD.—(A) Except as provided in subparagraph (B), any protest in which the anticipated value of the contract award that will result from the protested procurement, as estimated by the executive agency involved, is less than $30,000,000 shall be considered under simplified rules of procedure. Such simplified rules shall provide that discovery in such protests shall be in writing only. Such written discovery shall be the minimum necessary for the expeditious, fair, and cost-effective resolution of the protest and shall be allowed only if the Board determines that the written submissions of the parties do not provide an adequate basis for a fair resolution of the protest. Such protests shall be decided by a single Board judge. The Board concerned shall issue its final decision in each such protest within 45 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman.

''(B) If the Chairman of the Board concerned determines that special and unique circumstances of a protest that would otherwise qualify for the simplified rules described in subparagraph (A), including the complexity of a protest, requires the use of full procedures as described in paragraphs (1)

and (2), the Chairman shall use such procedures in lieu of the simplified rules described in subparagraph (A).

''(4) CALCULATION OF TIME FOR ADR.—In calculating time for purposes of paragraph (2) or (3) of this subsection, any days during which proceedings are suspended for the purpose of attempting to resolve the protest by alternative means of dispute resolution, up to a maximum of 20 days, shall not be counted.

''(5) DISMISSAL OF FRIVOLOUS PROTESTS.—The Board concerned may dismiss a protest that the Board concerned determines—

''(A) is frivolous,

''(B) has been brought or pursued in bad faith; or

''(C) does not state on its face a valid basis for protest.

''(6) PAYMENT OF COSTS FOR FRIVOLOUS PROTESTS.—(A) If the Board concerned expressly finds that a protest or a portion of a protest is frivolous or has been brought or pursued in bad faith, the Board concerned shall declare that the protester or other interested party who joins the protest is liable to the United States for payment of the costs described in subparagraph (B) unless—

''(i) special circumstances would make such payment unjust; or

''(ii) the protester obtains documents or other information after the protest is filed with the Board concerned that establishes that the protest or a portion of the protest is frivolous or has been brought or pursued in bad faith, and the protester then promptly withdraws the protest or portion of the protest.

''(B) The costs referred to in subparagraph (A) are all of the costs incurred by the United States of reviewing the protest, or of reviewing that portion of the protest for which the finding is made, including the fees and other expenses (as defined in section 2412(d)(2)(A) of title 28, United States Code) incurred by the United States in defending the protest.

''(h) DECISIONS AND CORRECTIVE ACTIONS ON PROTESTS.—(1) In making a decision on protests filed under this section, the Board concerned shall accord due weight to the goals of economic and efficient procurement, and shall take due account of the rule of prejudicial error.

''(2) If the Board concerned determines that a decision of the head of the executive agency is arbitrary or capricious or violates a statute or regulation, the Board concerned may order the agency (or its head) to take such corrective action as the Board concerned considers appropriate. Corrective action includes requiring that the executive agency—

''(A) refrain from exercising any of its options under the contract;

''(B) recompete the contract immediately;

''(C) issue a new solicitation;

''(D) terminate the contract;

''(E) award a contract consistent with the requirements of such statute and regulation;

''(F) implement any combination of requirements under subparagraphs (A), (B), (C), (D), and (E); or

''(G) implement such other actions as the Board concerned determines necessary.

''(3) If the Board concerned orders corrective action after the contract award, the affected contract shall be presumed valid as to all goods or services delivered and accepted under the contract before the corrective action was ordered.

''(4) Any agreement that provides for the dismissal of a protest and involves a direct or indirect expenditure of appropriated funds shall be submitted to the Board concerned and shall be made a part of the public record (subject to any protective order considered appropriate by the Board concerned) before dismissal of the protest.

''(i) AUTHORITY TO DECLARE ENTITLEMENT TO COSTS.—(1)(A) Whenever the Board concerned determines that a decision of the head of an executive agency is arbitrary or capricious or violates a statute or regulation, it may, in accordance with section 1304 of title 31, United States Code, further declare an appropriate prevailing party to be entitled to the costs of—

''(i) filing and pursuing the protest, including reasonable attorneys' fees and consultant and expert witness fees, and

''(ii) bid and proposal preparation.

''(B) No party (other than a small business concern (within the meaning of section 3(a) of the Small Business Act)) may be declared entitled under this paragraph to costs for—

''(i) consultant and expert witness fees that exceed the highest rate of compensation for expert witnesses paid by the Federal Government, or

''(ii) attorneys' fees that exceed $150 per hour unless the Board concerned, on a case by case basis, determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

''(2) Payment of amounts due from an agency under paragraph (1) or under the terms of a settlement agreement under subsection (h)(4) shall be made from the appropriation made by section 1304 of title 31, United States Code, for the payment of judgments. The executive agency concerned shall reimburse that appropriation account out of funds available for the procurement.

''(j) APPEALS.—A final decision of the Board concerned may be appealed as set forth in section 8(g)(1) of the Contract Disputes Act of 1978 by the head of the executive agency concerned and by any interested party, including interested parties who intervene in any protest filed under this section.

''(k) ADDITIONAL RELIEF.—Nothing contained in this section shall affect the power of the Board concerned to order any additional relief which it is authorized to provide under any statute or regulation.

''(l) NONEXCLUSIVITY OF REMEDIES.—Nothing contained in this section shall affect the right of any interested party to file a protest with the contracting agency or to file an action in the United States Court of Federal Claims or in a United States district court.''.

SEC. 425. APPLICABILITY TO CERTAIN CONTRACTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 424, is further amended by adding at the end the following:

''SEC. 215. APPLICABILITY TO CERTAIN CONTRACTS.

''(a) CONTRACTS AT OR BELOW THE SIMPLIFIED ACQUISITION THRESHOLD.—Notwithstanding section 33 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts in amounts not greater than the simplified acquisition threshold.

''(b) CONTRACTS FOR COMMERCIAL ITEMS.—Notwithstanding section 34 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts for the procurement of commercial items.''.

Subtitle D—Repeal of Other Statutes Authorizing Administrative Protests

SEC. 431. REPEALS.

(a) GSBCA PROVISIONS.—Subsection (f) of the Brooks Automatic Data Processing Act (section 111 of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 759) is repealed.

(b) GAO PROVISIONS.—(1) Subchapter V of chapter 35 of title 31, United States Code (31 U.S.C. 3551–3556) is repealed.

(2) The analysis for chapter 35 of such title is amended by striking out the items relating to sections 3551 through 3556 and the heading for subchapter V.

Subtitle E—Transfers and Transitional, Savings, and Conforming Provisions

SEC. 441. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) TRANSFERS.—

(1) ARMED SERVICES AND CORPS BOARDS OF CONTRACT APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Armed Services Board of Contract Appeals and the board of contract appeals of the Corps of Engineers established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date described in section 451), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(2) OTHER BOARDS OF CONTRACTS APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date described in section 451) other than the Armed Services Board of Contract Appeals, the board of contract appeals of the Corps of Engineers, and the Postal Service Board of Contract Appeals shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(3) COMPTROLLER GENERAL.—(A) One-quarter (as determined by the Comptroller General) of the personnel employed in connection with, and one-quarter (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date described in section 451), shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(B) Three-quarters (as determined by the Comptroller General) of the personnel employed in connection with, and three-quarters (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date described in section 451), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(b) EFFECT ON PERSONNEL.—Personnel transferred pursuant to this subtitle shall

not be separated or reduced in compensation for one year after such transfer, except for cause.

(c) REGULATIONS.—(1) The Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals shall each prescribe regulations for the release of competing employees in a reduction in force that gives due effect to—

(A) efficiency or performance ratings;

(B) military preference; and

(C) tenure of employment.

(2) In prescribing the regulations, the Board concerned shall provide for military preference in the same manner as set forth in subchapter I of chapter 35 of title 5, United States Code.

SEC. 442. TERMINATIONS AND SAVINGS PROVISIONS.

(a) TERMINATION OF BOARDS OF CONTRACT APPEALS.—Effective on the effective date described in section 451, the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before such effective date) other than the Postal Service Board of Contract Appeals shall terminate.

(b) SAVINGS PROVISION FOR CONTRACT DISPUTE MATTERS PENDING BEFORE BOARDS.—(1) This title and the amendments made by this title shall not affect any proceedings (other than bid protests pending before the board of contract appeals of the General Services Administration) pending on the effective date described in section 451 before any board of contract appeals terminated by subsection (a).

(2) In the case of any such proceedings pending before the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers, the proceedings shall be continued by the Department of Defense Board of Contract Appeals, and orders which were issued in any such proceeding by the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers shall continue in effect until modified, terminated, superseded, or revoked by the Department of Defense Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(3) In the case of any such proceedings pending before an agency board of contract appeals other than the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers, the proceedings shall be continued by the Civilian Board of Contract Appeals, and orders which were issued in any such proceeding by the agency board shall continue in effect until modified, terminated, superseded, or revoked by the Civilian Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(c) BID PROTEST TRANSITION PROVISIONS.—(1) No protest may be submitted to the Comptroller General pursuant to section 3553(a) of title 31, United States Code, or to the board of contract appeals for the General Services Administration pursuant to the Brooks Automatic Data Processing Act (40 U.S.C. 759) on or after the effective date described in section 451.

(2)(A) In the case of bid protest proceedings pending before the board of contract appeals of the General Services Administration on the effective date described in section 451—

(i) with respect to bid protests involving procurements of the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the proceedings shall be continued by the Defense Board of Contract Appeals; and

(ii) with respect to bid protests involving procurements of any other executive agency (as defined by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), the proceedings shall be continued by the Civilian Board of Contract Appeals.

(B) The provisions repealed by section 431(a) shall continue to apply to such proceedings until the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals, as the case may be, determines such proceedings have been completed.

(3)(A) In the case of bid protest proceedings pending before the Comptroller General on the effective date described in section 451—

(i) with respect to bid protests involving procurements of the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the proceedings shall be continued by the Defense Board of Contract Appeals;

(ii) with respect to bid protests involving procurements of any other executive agency (as defined by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), the proceedings shall be continued by the Civilian Board of Contract Appeals; and

(iii) with respect to bid protests involving procurements of an entity that is not an executive agency, the proceedings shall be continued by the Comptroller General.

(B) The provisions repealed by section 431(b) shall continue to apply to such bid protest proceedings until the Department of Defense Board of Contract Appeals, the Civilian Board of Contract Appeals, or the Comptroller General, as the case may be, determines that such proceedings have been completed.

SEC. 443. CONTRACT DISPUTES AUTHORITY OF BOARDS.

(a) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended—

(1) in paragraph (2), by striking out ‘‘, the United States Postal Service, and the Postal Rate Commission’’;

(2) by amending paragraph (6) to read as follows:

‘‘(6) the term ‘Defense Board’ means the Department of Defense Board of Contract Appeals established under section 8(a) of this Act;’’;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph (7):

‘‘(7) the term ‘Civilian Board’ means the Civilian Board of Contract Appeals established under section 8(b) of this Act; and’’.

(b) Section 6(c)(6) of the Contract Disputes Act of 1978 (41 U.S.C. 605(c)(6)) is amended—

(1) by striking out ‘‘court or an agency board of contract appeals’’ and inserting in lieu thereof ‘‘court, the Defense Board, or the Civilian Board’’;

(2) by striking out ‘‘an agency board of contract appeals’’ in the third sentence and inserting in lieu thereof ‘‘the Defense Board or the Civilian Board’’; and

(3) by striking out ‘‘agency board’’ and inserting in lieu thereof ‘‘the Board concerned’’.

(c) Section 7 of the Contract Disputes Act of 1978 (41 U.S.C. 606) is amended by striking out ‘‘an agency board of contract appeals’’ and inserting in lieu thereof ‘‘the Defense Board or the Civilian Board’’.

(d) Section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607), as amended by section 411, is further amended—

(1) by amending the heading to read as follows:

‘‘DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS’’;

(2) by striking out subsection (c);

(3) in subsection (d)—

(A) by striking out the first sentence and inserting in lieu thereof the following:

‘‘The Defense Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force relative to a contract made by that department. The Civilian Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of any executive agency (other than the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the United States Postal Service, or the Postal Rate Commission) relative to a contract made by that agency.’’; and

(B) in the second sentence, by striking out ‘‘the agency board’’ and inserting in lieu thereof ‘‘the Board concerned’’;

(4) in subsection (e), by striking out ‘‘An agency board shall provide’’ and inserting in lieu thereof ‘‘The Defense Board and the Civilian Board shall each provide,’’;

(5) in subsection (f), by striking out ‘‘each agency board’’ and inserting in lieu thereof ‘‘the Defense Board and the Civilian Board’’;

(6) in subsection (g)—

(A) in the first sentence of paragraph (1), by striking out ‘‘an agency board of contract appeals’’ and inserting in lieu thereof ‘‘the Defense Board or the Civilian Board, as the case may be,’’;

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2); and

(7) by striking out subsection (h) and inserting in lieu thereof the following:

‘‘(h) There is established an agency board of contract appeals to be known as the ‘Postal Service Board of Contract Appeals’. Such board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the United States Postal Service or the Postal Rate Commission relative to a contract made by either agency. Such board shall consist of judges appointed by the Postmaster General who shall meet the qualifications of and serve in the same manner as judges of the Civilian Board of Contract Appeals. This Act and title II of the Office of Federal Procurement Policy Act shall apply to contract disputes before the Postal Service Board of Contract Appeals in the same manner as they apply to contract disputes before the Civilian Board.’’; and

(8) by striking out subsection (i).

(e) Section 9 of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended—

(1) in subsection (a), by striking out ‘‘each agency board’’ and inserting in lieu thereof ‘‘the Defense Board and the Civilian Board’’; and

(2) in subsection (b), by striking out ‘‘the agency board’’ and inserting in lieu thereof ‘‘the Board concerned’’.

(f) Section 10 of the Contract Disputes Act of 1978 (41 U.S.C. 609) is amended—

(1) in subsection (a)—

(A) in the first sentence of paragraph (1)—

(i) by striking out ‘‘Except as provided in paragraph (2), and in’’ and inserting in lieu thereof ‘‘In’’; and

(ii) by striking out ‘‘an agency board’’ and inserting in lieu thereof ‘‘the Defense Board or the Civilian Board’’;

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking out ‘‘or (2)’’;

(2) in subsection (b)—

(A) by striking out ‘‘any agency board’’ and inserting in lieu thereof ‘‘the Defense Board or the Civilian Board’’; and

(B) by striking out ‘‘the agency board’’ and inserting in lieu thereof ‘‘the Board concerned’’;

(3) in subsection (c)—

(A) by striking out ‘‘an agency board’’ and inserting in lieu of each ‘‘the Defense Board or the Civilian Board’’; and

(B) by striking out ''the agency board'' and inserting in lieu thereof ''the Board concerned''; and

(4) in subsection (d)—

(A) by striking out ''one or more agency boards'' and inserting in lieu thereof ''the Defense Board or the Civilian Board (or both)''; and

(B) by striking out ''or among the agency boards involved'' and inserting in lieu thereof ''one or both of the Boards''.

(g) Section 11 of the Contract Disputes Act of 1978 (41 U.S.C. 610) is amended—

(1) in the first sentence, by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the Defense Board or the Civilian Board''; and

(2) in the second sentence, by striking out ''the agency board through the Attorney General; or upon application by the board of contract appeals of the Tennessee Valley Authority'' and inserting in lieu thereof ''the Defense Board or the Civilian Board''.

(h) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(1) in subsection (b), by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the Defense Board or the Civilian Board''; and

(2) in subsection (d)(2), by striking out ''by the board of contract appeals for'' and inserting in lieu thereof ''by the Defense Board or the Civilian Board from''.

SEC. 444. REFERENCES TO AGENCY BOARDS OF CONTRACT APPEALS.

(a) DEFENSE BOARD.—Any reference to the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Department of Defense Board of Contract Appeals.

(b) CIVILIAN BOARD.—Any reference to an agency board of contract appeals other than the Armed Services Board of Contract Appeals, the board of contract appeals of the Corps of Engineers, or the Postal Service Board of Contract Appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Civilian Board of Contract Appeals.

SEC. 445. CONFORMING AMENDMENTS.

(a) TITLE 5.—Section 5372a of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out ''an agency board of contract appeals appointed under section 8 of the Contract Disputes Act of 1978'' and inserting in lieu thereof ''the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals appointed under section 202 of the Office of Federal Procurement Policy Act or the Postal Service Board of Contract Appeals appointed under section 8(h) of the Contract Disputes Act of 1978''; and

(2) in subsection (a)(2), by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the Department of Defense Board of Contract Appeals, the Civilian Board of Contract Appeals, or the Postal Service Board of Contract Appeals''.

(b) TITLE 10.—(1) Section 2305(e) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking out ''subchapter V of chapter 35 of title 31'' and inserting in lieu thereof ''title II of the Office of Federal Procurement Policy Act''; and

(B) by striking out paragraph (3).

(2) Section 2305(f) of such title is amended—

(A) in paragraph (1), by striking out ''subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31'' and inserting in lieu thereof ''section 214(h)(2) of the Office of Federal Procurement Policy Act''; and

(B) in paragraph (2), by striking out ''paragraph (1) of section 3554(c) of title 31 within the limits referred to in paragraph (2)'' and inserting in lieu thereof ''subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)''.

(c) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—(1) Section 303B(j) (as redesignated by section 104(b)(2)) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(h)) is amended—

(A) in paragraph (1), by striking out ''subchapter V of chapter 35 of title 31, United States Code'' and inserting in lieu thereof ''title II of the Office of Federal Procurement Policy Act''; and

(B) by striking out paragraph (3).

(2) Section 303B(k) (as redesignated by section 104(b)(2)) of such Act (41 U.S.C. 253b(i)) is amended—

(A) in paragraph (1), by striking out ''in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31, United States Code'' and inserting in lieu thereof ''section 214(h)(2) of the Office of Federal Procurement Policy Act''; and

(B) in paragraph (2), by striking out ''paragraph (1) of section 3554(c) of such title within the limits referred to in paragraph (2)'' and inserting in lieu thereof ''subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)''.

(d) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended—

(1) by inserting the following before the item relating to section 1:

''TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY''; and

(2) by adding at the end the following:

''TITLE II—DISPUTE RESOLUTION

''SUBTITLE A—GENERAL PROVISIONS

''Sec. 201. Definitions.
''Sec. 202. Membership.
''Sec. 203. Chairman.
''Sec. 204. Rulemaking authority.
''Sec. 205. Authorization of appropriations.

''SUBTITLE B—FUNCTIONS OF THE DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS

''Sec. 211. Alternative dispute resolution services.
''Sec. 212. Alternative dispute resolution of disputes and protests submitted to Boards.
''Sec. 213. Contract disputes.
''Sec. 214. Protests.
''Sec. 215. Applicability to certain contracts.''.

Subtitle F—Effective Date; Regulations and Appointment of Chairmen

SEC. 451. EFFECTIVE DATE.

Title II of the Office of Federal Procurement Policy Act, as added by this title, and the amendments and repeals made by this title shall take effect 1 year after the date of the enactment of this Act.

SEC. 452. REGULATIONS.

(a) REGULATIONS REGARDING PROTESTS AND CLAIMS.—Not later than 1 year after the date of the enactment of this Act, the Chairman of the Armed Services Board of Contract Appeals and the Chairman of the General Services Board of Contract Appeals, in consultation with the Comptroller General with respect to protests, shall jointly issue—

(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals under sections 213 and 214 of the Office of Federal Procurement Policy Act (as added by this title); and

(2) statements of policy of general applicability with respect to such functions.

(b) REGULATIONS REGARDING APPOINTMENT OF JUDGES.—Not later than 1 year after the date of the enactment of this Act—

(1) the Chairman of the Armed Services Board of Contract Appeals shall issue rules governing the establishment and maintenance of a register of eligible applicants and the selection of judges for the Department of Defense Board of Contract Appeals; and

(2) the Chairman of the General Services Board of Contract Appeals shall issue rules governing the establishment and maintenance of a register of eligible applicants and the selection of judges for the Civilian Board of Contract Appeals.

SEC. 453. APPOINTMENT OF CHAIRMEN OF DEFENSE BOARD AND CIVILIAN BOARD.

Notwithstanding section 451, not later than 1 year after the date of the enactment of this Act—

(1) the Secretary of Defense shall appoint the Chairman of the Department of Defense Board of Contract Appeals; and

(2) the Administrator of General Services shall appoint the Chairman of the Civilian Board of Contract Appeals.

(2) Page 12, lines 2 and 23, strike out ''chapter'' and insert in lieu thereof ''title''.

(3) Page 26, line 18, strike out ''and'' and insert in lieu thereof ''but''.

(4) Page 28, line 14, strike out ''and'' and insert in lieu thereof ''but''.

(5) Add at the end of section 302 (at the end of page 51) the following:

(c) POLICY OF CONGRESS.—Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is further amended by adding after subsection (a) the following new subsection:

''(b) CONSTRUCTION OF CERTIFICATION REQUIREMENTS.—A provision of law may not be construed as requiring a certification by a contractor or offeror in a procurement made or to be made by the Federal Government unless that provision of law specifically refers to this subsection and provides that, notwithstanding this subsection, such a certification shall be required.

Page 50, line 18, strike out ''(b)'' and insert in lieu thereof ''(c)''.

(6) Page 52, line 10, strike out ''August 1, 1995'' and insert in lieu thereof ''October 1, 1996''.

Page 52, lines 10 and 11, strike out ''August 1, 2000'' and insert in lieu thereof ''October 1, 2000''.

(7) Add at the end of section 306 (at the end of page 65) the following new subsection:

(e) REPEAL OF DATA COLLECTION REQUIREMENT.—Subsection (h) of section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is repealed.

(8) Strike out section 316 (page 75, line 15, through the end of page 81) and insert in lieu thereof the following:

SEC. 316. ADDITIONAL DEPARTMENT OF DEFENSE PILOT PROGRAMS.

(a) AUTHORITY TO CONDUCT DEFENSE FACILITY-WIDE PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program, to be known as the ''defense facility-wide pilot program'', for the purpose of determining the potential for increasing the efficiency and effectiveness of the acquisition process in facilities.

(b) SCOPE OF PROGRAM.—At a facility designated as a participant in the pilot program, the pilot program shall consist of the following:

(1) All contracts and subcontracts for defense supplies and services that are performed at the facility.

(2) All contracts and subcontracts performed elsewhere that the Secretary determines are directly and substantially related

to the production of defense supplies and services at the facility and are necessary for the pilot program.

(c) DESIGNATION OF PARTICIPATING FACILITIES.—(1) The Secretary may designate up to two facilities as participants in the defense facility-wide pilot program.

(2) Subject to subsection (g), the Secretary may determine the scope and duration of a designation made under this paragraph.

(d) CRITERIA FOR DESIGNATION.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary shall provide to the congressional defense committees a detailed description of the proposed criteria to be used in selecting facilities for designation as participants in the defense facility-wide pilot program. The Secretary may not select any facilities for participation in the program until at least 30 days have passed after providing such criteria.

(2) After selecting both facilities for designation as participants in the program, the Secretary shall notify the congressional defense committees of the selection and submit a description—

(A) of the management goals and objectives intended to be achieved for each facility selected; and

(B) of the method by which the Secretary intends to monitor and measure the performance of the selected facilities in meeting such management goals and objectives.

(3)(A) In developing the criteria referred to paragraph (1), the Secretary shall ensure that such criteria reflect the following objectives:

(i) A significant reduction of the cost to the Government for programs carried out at the designated facilities.

(ii) A reduction of the schedule associated with programs carried out at the designated facilities.

(iii) An increased used of commercial practices and procedures for programs carried at the designated facilities.

(iv) That the designation of a facility under subsection (c) does not place a competing domestic manufacturer at a significant competitive disadvantage.

(B) The criteria shall also require that, with respect to any facility designated under subsection (c), all or substantially all of the contracts to be awarded and performed at the facility after the designation, and all or substantially all of the subcontracts to be awarded under those contracts and performed at the facility after the designation, will be—

(i) for the production of supplies or services on a firm-fixed price basis;

(ii) awarded without requiring the contractors or subcontractors to provide certified cost or pricing data pursuant to section 2306a of title 10, United States Code; and

(iii) awarded and administered without the application of cost accounting standards under section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)).

(e) EXEMPTION FROM CERTAIN REQUIREMENTS.—In the case of a contract or subcontract that is to be performed at a facility designated for participation in the defense facility-wide pilot program and that is subject to section 2306a of title 10, United States Code, or section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)), the Secretary of Defense may exempt such contract or subcontract from the requirement to obtain certified cost or pricing data under such section 2306a or the requirement to apply mandatory cost accounting standards under such section 26(f) if the Secretary determines that the contract or subcontract—

(1) is within the scope of the pilot program (as described in subsection (b)); and

(2) is fairly and reasonably priced based on information other than certified cost and pricing data.

(f) SPECIAL AUTHORITY.—The authority provided under subsection (a) may include authority for the Secretary of Defense—

(1) to apply any amendment or repeal of a provision of law made in this Act to the pilot program before the effective date of such amendment or repeal; and

(2) to apply to a procurement of items other than commercial items under such program—

(A) any authority provided in the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) (or in an amendment made by a provision of that Act) to waive a provision of law in the case of commercial items, and

(B) any exception applicable under this Act or the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) (or an amendment made by a provision of either Act) in the case of commercial items,

before the effective date of such provision (or amendment) to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of items other than commercial items.

(g) APPLICABILITY.—(1) Subsections (e) and (f) apply with respect to—

(A) a contract that is awarded or modified during the period described in paragraph (2); and

(B) a contract that is awarded before the beginning of such period and is to be performed (or may be performed), in whole or in part, during such period.

(2) The period referred to in paragraph (1) is the period that begins 45 days after the date of the enactment of this Act and ends on September 30, 1998.

(h) COMMERCIAL PRACTICES ENCOURAGED.—With respect to contracts and subcontracts within the scope of the defense facility-wide pilot program, the Secretary of Defense may, to the extent the Secretary determines appropriate and in accordance with the law, adopt commercial practices in the administration of contracts and subcontracts. Such commercial practices may include elimination of Government audit and access to records provisions; incorporation of commercial oversight, inspection, and acceptance procedures; use of alternative dispute resolution techniques (including arbitration); and elimination of contract provisions authorizing the Government to make unilateral changes to contracts.

(9) In sections 501 and 502 (page 143, line 23, through the end of page 146), strike out ''title'' each place it appears and insert in lieu thereof ''Act''.

Mr. CHAMBLISS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CHAMBLISS. Mr. Chairman, H.R. 1670, the Federal Acquisition Reform Act of 1995, which Chairman SPENCE introduced along with Chairman CLINGER and a number of other distinguished Members, will revamp the current regulatory morass which passes for an acquisition system. A significant part of the reform in H.R. 1670 concerns the consolidation of title IV of the 11 different agency administrative tribunals which currently resolve contract disputes and the two bid protests into two boards—one in the Department of Defense to handle DOD protests and disputes and one in the General Services Administration to handle civilian agency protests and disputes. A single set of efficient procedures will govern both.

The House National Security Committee amendment I propose will further refine and streamline the procedures of the two boards with a special emphasis on the efficient, fair, and cost-effective resolution of protests. Complaints about the current bid protest process have come from the administration and from some segments of industry. The detractors of the current protest system attack it as too complex, too intrusive, and too prudently intensive. Others argue that the current protest resolution process is an essential feature of the acquisition system and must be maintained with court-like procedures. H.R. 1670 creates a new consolidated protest resolution process that achieves a better balance between the need to ensure the fundamental fairness of the Government's acquisition system and the need to acquire the goods and services needed by the Government in an efficient manner.

The main point of the committee amendment is to inject further refinement into the new protest resolution system created by H.R. 1670. Among other things, it would simplify the standard of review to be used for the resolution of protest cases, ensure that board judges permit the use of discovery only where necessary to minimize costly litigation, increase the use of special simplified procedures for the speedy resolution of protests in appropriate cases, provide for the selection of judges by the Secretary of Defense for the defense board and by the Administrator of General Services for the civilian board, and simplify and clarify the process of transitioning from the current administrative tribunals to the two new consolidated boards.

Mr. Chairman, I would like to once again commend Chairmen SPENCE and CLINGER for their hard work on bringing this legislation to the floor. It represents a responsible, long-overdue approach to Government procurement.

I urge my colleagues to vote for this amendment which will strengthen the reforms already in H.R. 1670 by ensuring a robust, cost-effective, and efficient process.

□ 1345

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for yielding. I am pleased to rise in support of the amendment and I am willing to accept the amendment.

Mr. Chairman, this represents some items that were still left hanging after

we reported the bill out of the Committee on Government Reform and Oversight. The gentleman from South Carolina [Mr. SPENCE] agreed that he would not take up the bill in his committee, and we worked together to resolve those issues, and I think they have now been resolved, and they are incorporated in this amendment, and I am pleased to accept the amendment on this side.

Mr. CHAMBLISS. Mr. Chairman, I thank the gentleman for his support.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in opposition to this amendment which would eliminate the ability of companies to protest against the improper cancellation of a contract by amending the definition of ''protest.''

Congress voted just last year to include this provision as a part of the Federal Acquisition Streamlining Act, after years of careful legislative consideration. That bill was overwhelmingly supported by Members on both sides of the aisle.

A business will typically protest the improper cancellation of a contract when an agency decides to cancel a contract because the agency doesn't like the company that won the contract, or in order to avoid litigation.

For example, suppose a small business wins a contract fair and square, but an agency cancels that contract because some contracting bureaucrat doesn't want it to go to a small business. Under existing practice that small business could protest. The Spence amendment would deny the right of that small business to protest.

No witness has come before the Government Reform and Oversight Committee raising any concerns about the ability of businesses to protest the improper cancellation of Federal contracts. There has been no allegation nor any evidence presented that protesting the improper cancellation of contracts is a problem.

I am also concerned that this amendment would allow discovery only if a judge determines it to be necessary. Once again, this amendment creates solutions for problems that don't exist. No one testifying before the Government Reform Committee has alleged any problems with the discovery process. In fact GAO, whose discovery process this bill is based on, has been hailed throughout our hearings as a model bid protest forum. Why are we now at the 11th hour substituting an untested system, for discovery process that works well?

We talk a lot around here about the need to have Government work in the sunshine, and forcing the bureaucracy to operate in the open. This amendment is a turn toward Government in the back room and bureaucracy operating in secret.

I urge the defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. CHAMBLISS].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. ZELIFF

Mr. ZELIFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZELIFF: At the end of title III (page 100, after line 12), add the following new section:

SEC. 319. COOPERATIVE PURCHASING.

(a) DELAY IN OPENING CERTAIN FEDERAL SUPPLY SCHEDULES TO USE BY STATE, LOCAL, AND INDIAN TRIBAL GOVERNMENTS.—The Administrator of General Services may not use the authority of section 201(b)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)(2)) to provide for the use of Federal supply schedules of the General Services Administration until after the later of—

(1) the date on which the 14-month period beginning on the date of the enactment of this Act expires; or

(2) the date on which all of the following conditions are met:

(A) The Administrator has considered the report of the Comptroller General required by subsection (b).

(B) The Administrator has submitted comments on such report to the congressional committees as required by subsection (c).

(C) A period of 30 days after the date of submission of such comments to the congressional committees referred to in subsection (d) has expired.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to the Administrator of General Services and to the congressional committees referred to in subsection (d) a report on the implementation of section 201(b) of the Federal Property and Administrative Services Act of 1949. The report shall include the following:

(1) An assessment of the effect on industry, including small businesses and local dealers, of providing for the use of Federal supply schedules by the entities described in section 201(b)(2)(A) of the Federal Property and Administrative Services Act of 1949.

(2) An assessment of the effect on such entities of providing for the use of Federal supply schedules by them.

(c) COMMENTS ON REPORT BY ADMINISTRATOR.—Not later than 30 days after receiving the report of the Comptroller General required by subsection (b), the Administrator of General Services shall submit to the congressional committees referred to in subsection (d) comments on the report, including the Administrator's comments on whether the Administrator plans to provide any Federal supply schedule for the use of any entity described in section 201(b)(2)(A) of the Federal Property and Administrative Services Act of 1949.

(d) CONGRESSIONAL COMMITTEES.—The report required by subsection (b) and the comments required by subsection (c) shall be submitted to the Governmental Affairs Committee of the Senate and the Committee on Government Reform and Oversight of the House of Representatives.

(e) CALCULATION OF 30-DAY PERIOD.—For purposes of subsection (a)(2)(C), the calculation of the 30-day period shall exclude Saturdays, Sundays, and holidays, and any day on which neither House of Congress is in session because of an adjournment sine die, a recess of more than 3 days, or an adjournment of more than 3 days.

Mr. ZELIFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ZELIFF. Mr. Chairman, first, I would like to state my strong support for H.R. 1670, the Federal Acqusition Reform Act of 1995. I would also like to commend Chairman CLINGER for his leadership on this bill. As a member of the Government Reform and Oversight Committee, I can say with confidence that we have an excellent bipartisan bill before us today.

Throughout the debate, I have heard numerous Members claim that the bill is not small business friendly.

I believe Chairman CLINGER has taken into consideration the interests of our Nation's small businesses and worked hard to create a reformed procurement system designed to assist all businesses.

With that said, I rise today, Mr. Chairman, to offer an amendment which seeks to address small business concerns set forth in FASA, the Federal Acquisition Streamlining Act of 1994. With my amendment, I intend to address a rule currently being promulgated by the General Services Administration [GSA] which would implement section 1555.

Section 1555 allows State and local governments to obtain procurement items directly from the GSA's Federal supply schedule [FSS]. Section 1555, if implemented, would prove disastrous for our small and local businesses. Currently, State and local governments obtain their items through their own procurement processes. This is almost always through local and small businesses.

It is those businesses that will suffer if suddenly their State and local governments do not purchase from them anymore.

In addition, there are serious concerns regarding the effect of guaranteed warranties and servicing agreements. Under section 1555, if implemented, there are very real concerns to be addressed as to how State and local governments would receive these services through a federally operated procurement system. I am afraid the answer would be a whole new bureaucracy at GSA in a time when we should be streamlining.

From the local car dealer who supplies and services police cars to the local office supply store that supplies the pencils, the effects of section 1555 could be disastrous.

My amendment would delay the opening of the Federal supply schedules to use by State and local governments for a total of 14 months.

It allows all businesses to continue to sell and lease to State and local governments—just as they do now.

It is worth noting that the Senate Treasury/Postal Appropriations Committee Report states: ''[we] direct that GSA postpone rules to implement section 1555 until a comprehensive analysis of the effect of such rules, including the impact on private sector vendors, has been completed * * *.'' Passage of my amendment will put the House and

Senate on a parallel course on this issue.

My amendment provides an acceptable compromise between those who would prefer a straight repeal of section 1555 and those who believe it still has merit. Specifically, my amendment establishes a mere 1-year moratorium on the GSA implementation of section 1555 while directing the General Accounting Office [GAO] to submit a report to Congress and GSA that includes an assessment of the effect on the industry, including small businesses, and local dealers, of providing the use of Federal supply schedules to State and local entities. Once GSA has commented on the report, Congress has a 30-day period in which to take additional action or allow GSA's implementation of section 1555. I might add that my amendment has the support of Chairman CLINGER.

Let me reiterate to my colleagues that this is a commonsense solution to a possible serious problem for our local small businesses. My amendment is certainly not harmful to State and local governments since they currently do not even have the ability to purchase from the Federal supply schedule.

Now that Congress is aware of the possible consequences for our local businesses, we can and should take a step back and examine the effects implementation of section 1555 would have on our Nation's small business community.

The purpose of this legislation is most eloquently stated in the Government Reform and Oversight's Committee Report, as one of the goals of this Congress, to curb the ''Government's inflated cost of doing business.'' I believe my amendment is in step with this country's desire for less government, less bureaucracy.

Once again, I want to commend Chairman CLINGER for his dedicated effort in bringing this reform measure to the floor. And, I want to thank him for his continued leadership and support in working with me on this amendment.

Let's send a message to our local businesses back home by allowing them to continue to supply State and local governments their goods and services.

We, as responsible policymakers, should take time to review the potential negative impact of this regulatory action on those businesses.

Please support your small and local businesses and vote for the Zeliff amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. ZELIFF. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I first of all want to commend the gentleman for his hard work on this amendment and for his willingness and tenacity in negotiating what is truly a good compromise, which I think has been reached between two different positions.

I think it is a very good compromise, because it basically delays the implementation of this for 1 year. The amendment is well timed in that regard, because GSA has not at this point implemented the program as of yet or even published regulations to implement it. It is really anticipated it is going to take at least a year before GSA would be prepared to do this, and in the meantime we would have GAO doing the study, which would be very helpful. So I commend you again for your efforts in reaching this compromise and I am pleased to accept the amendment.

Mr. ZELIFF. Mr. Chairman, I thank the chairman for his comments and I urge my colleagues to support the amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the amendment. Last year the Congress passed the Federal Acquisition Streamlining Act. Through an amendment to the Federal Property Act, it gave the General Services Administration new discretionary authority to operate what is called the Cooperative Purchasing Program.

The law permits GSA to allow State and local governments, Indian tribes, and some others to purchase commercial goods and services through GSA's present Federal Supply Schedule Program, originally established for Federal agency use. Potentially eligible entities number in the thousands.

GSA soon plans to issue regulations to implement the new authority; but many businesses, including small businesses, are expressing serious concern about the impact the Cooperative Purchasing Program would have on them. GSA itself recognizes a potential impact on small business.

The Federal Supply Schedule Program's purpose is to serve Federal agency purchasers. Any incidental benefits to the Federal Government are, of course, secondary. We do not know at this time how great the impact on small business as well as other business will be.

Certainly, I would like to enable State and local entities to save money for their taxpayers, but I do not believe a purchasing program designed for Federal agencies should be broadened before it is known whether it is likely to be a substantial detriment to small business.

The amendment by the gentleman from New Hampshire [Mr. ZELIFF] requires at least a 14-month delay in putting the program into effect. Within a year, however, GAO must make a study and submit a report to GSA and concerned congressional committees. The report will include assessments of the potential effect that implementing the new program would have on industry, small businesses, and local dealers, as well as on the non-Federal entities that would use the program. GSA must then submit comments to the committees about plans for program use of any schedule.

The amendment will enable Congress, GSA, vendors, and participating entities to gain the understanding they now lack of pitfalls and promises in the new ground this program would open up. My decision, therefore, is to support the amendment.

Mr. ZELIFF. Mr. Chairman, I ask unanimous consent to strike the requisite number of words.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ZELIFF. Mr. Chairman, I would like to thank the gentlewoman from Illinois for her comments.

Mr. Chairman, I would like to join in a colloquy with the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, will the gentleman yield?

Mr. ZELIFF. I yield to the gentleman from West Virginia.

Mr. WISE. Mr. Chairman, the gentleman from New Hampshire [Mr. ZELIFF] has been very, very forthcoming, and he and his staff have been very helpful in working out this colloquy and also this amendment.

Mr. Chairman, Congress has developed positive legislation and programs in recent years in the spirit of H.R. 1670 designed to save precious fiscal resources of State and local governments. I, myself, have had the opportunity to sponsor legislation that enables State and local law enforcement agencies to purchase certain items for counter drug activities, through the Department of Defense and the GSA.

Mr. Chairman, I would like to express my support for the gentleman from New Hampshire's amendment which will put off implementation of section 1555 of the Federal Acquisition Streamlining Act of 1994 pending an investigation by GAO on how this provision would impact the private sector. This will help to ensure that the current sales system is not dismantled at the expense of small business which frequently represents a significant portion of these dealers' revenues.

Mr. Chairman, the gentleman from New Hampshire's amendment will preserve the ability of small businesses to sell and lease equipment to State and local governments, while ensuring that programs such as the 1122 Police Procurement Program will continue to offer sensible support for local governments.

□ 1400

Mr. ZELIFF. Mr. Chairman, I share the gentleman from West Virginia's view regarding the importance of this amendment. I agree it is important that we do not hamper small businesses or jeopardize effective existing programs as we search for practical solutions to the Federal Government waste. Mr. Chairman, it is our intent that this amendment would not affect existing programs like the 1122 Police Procurement Program that the gentleman is concerned about.

I thank the gentleman for bringing this important issue to the attention of the House. I compliment the gentleman on the excellent work he does on the Nation's work program, and will be happy to work with him.

Mr. WISE. Mr. Chairman, if the gentleman will yield further, I greatly appreciate the gentleman's efforts on this issue, and appreciate his joining me in this colloquy.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Hampshire [Mr. ZELIFF] to postpone the implementation of the cooperative purchasing agreement for 1 year, until we have had time to study its effect on small businesses which stand to lose State and local government customers and on all government suppliers who have clearly stated that they cannot offer over the long term one set of terms and prices to diverse customers in innumerable locations.

The rationale for extending the GSA schedule to State and local governments was a good one, to help those governments save money. But if what we are hearing from businesses is correct, such an arrangement would be short-lived. Businesses are adamant that a one-price-fits-all approach will not work, and that prices will rise.

As a result, should we proceed to implement the cooperative purchasing agreement it is most probable that no government entity would save the amount of money envisioned; that it might will cost money; and most certainly would adversely impact the small business community.

So this cooperative purchasing agreement was a well-intentioned effort, but one which at a minimum should be studied further, which is precisely what the Zeliff amendment calls for. I urge support for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. ZELIFF].

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MRS. MALONEY

Mrs. MALONEY. Mr. Chairman, I offer an amendment, printed as No. 3 in the RECORD.

The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. MALONEY: Strike out section 304 (relating to international competitiveness).

Mrs. MALONEY. Mr. Chairman, my amendment deals with what sometimes lies within so-called procurement reform legislation.

My amendment deals with a corporate subsidy in this bill that has nothing to do with procurement reform.

The subsidy in question is the elimination of a program that requires defense contractors to repay the Government for some of the $30 billion annually taxpayers invest in research and development for private military contractors.

The recoupment fee is intended to recoup some of the billions the taxpayers have paid to develop major military systems when the defense contractor sells this technology to a foreign nation.

The fee averages just 3 to 5 percent of the gross price of the contract.

The authors of this bill are eliminating the recoupment program calling it a tax on American defense contractors.

I say recoupment gives a fair return for the American taxpayer's investment in the research and development of new weapons and technology.

Taxpayer dollars help fund the research and development in the first place. There wouldn't be these new weapons systems if it wasn't for the american taxpayer.

This public-private partnership is one of the reasons the United States is the world's leading arms exporter, dominating the market with 70 percent of the world's share.

We sell more arms than all the other nations of the world combined.

Some people are saying recoupment makes the U.S. military less competitive in the international market.

My colleagues, over the last 4 years, sales of United States military equipment totaled more than the sales of all the most aggressive arms exporters—Russia, China, France, and Britain combined.

In fact, our share is still rising.

Between 1991 and 1994, our share of the world market increased 62 percent.

If the recoupment requirement is making American military equipment less competitive in the world market—as the authors of this bill are stating—why is our share growing, not shrinking?

And in cases where the contractor can demonstrate that an individual sale is jeopardized, the DOD will grant a waiver.

In fact, there is already a blanket waiver for all nonmajor items, as well as all NATO participants.

For all these reasons, the deputy inspector general of the Defense Department says, and I quote, and ask to place this letter in the RECORD:

Since the U.S. sales of military hardware exceed all other countries combined, there is in my mind a great deal of doubt about the need to eliminate the recovery requirement when it can be done through waivers, on a case-by-case basis.''

There's still more.

The bill before us requires these recoupment losses of more than $1 billion to be offset from savings in the mandatory spending account at the Department of Defense.

What's in that account? The pensions of our veterans and military retirees.

So the bill before us has the American taxpayer funding research and development for private defense contractors, who can turn around and make a profit overseas, without returning a penny to the Treasury.

And—we'll pay for the lost revenue by cutting the pension benefits of our military retirees.

It's wrong.

It's unwise.

My amendment saves recoupment and the pensions of our veterans.

I ask for Members' support of the Maloney amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the amendment.

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Chairman, this amendment will preserve the current recoupment requirements eliminated by H.R. 1670. Recoupment will allow the Federal Government to continue to recover that portion of the over $30 billion in annual research and development costs that would otherwise be lost when foreign governments purchase our weapons.

The opponents of the Maloney amendment argue that recoupment fees raise the price of U.S. weapons and make them uncompetitive on the international market, but the facts indicate otherwise. According to the Congressional Research Service, the United States secured over 70 percent of all arms sales worldwide in 1993, and sold $12.8 billion of arms through foreign military sales in 1994. This hardly seems like an industry in need of more Federal assistance.

Moreover, at a time when we are considering severe cuts in Medicare and Medicaid, and the reduction in student loans and welfare benefits, how can we justify a massive new direct subsidy to the arms industry, which currently has 70 percent of all arms sales worldwide?

Eliminating recoupment fees also makes absolutely no sense in view of our current budget deficit. Over the past 5 years, foreign governments have paid nearly $1 billion in recoupment fees to the U.S. Treasury. Over the next 5 years, recoupment fees are expected to again amount to $1 billion. If we are serious about deficit reduction, the bill's provision eliminating recoupment fees is the wrong way to go.

Mr. Chairman I strongly support the Maloney amendment, and I urge its adoption.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

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

Mr. GILMAN. Mr. Chairman, I rise to reluctantly oppose the gentlelady's amendment to strike the provisions in section 304 of H.R. 1670 which would restructure this country's current policy with regard to recoupment charges on military equipment sales to foreign governments.

Mr. Chairman, these recoupment charges were initially instituted in the early 1960's. The intent of these recoupment charges was to enable our

Government to recover part of the cost of developing the technology needed to fight and win the cold war with our NATO allies. However, those allies—the British, French, Italians, and others have now become our economic competitors. Now when American corporations attempt to sell military goods, their products are burdened with a surcharge that makes American products less competitive.

Let us bear in mind that these exports create and protect thousands of American jobs and contribute billions of dollars to our national economy. Lowering barriers and expanding opportunities for American companies to trade abroad is critical to America's long term well being and international competitiveness.

Accordingly, Mr. Chairman, I urge my colleagues to vote in opposition to the gentlelady's amendment.

Mr. SPRATT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for years and years the Department of Defense out of simple basic prudence has retained the right to recoup some of the billions of dollars that we invest, the U.S. Government invests, through the Department of Defense in the development of highly technical and highly sophisticated military systems. In order to facilitate the sale of nonmajor pieces of equipment, a blanket waiver has been in effect for some time so that these items, items of electronics gear and what have you of not major cost, can be sold without any issue of recoupment being collected.

In addition, the Department, out of ordinary prudence, has also said to defense contractors, if it is necessary to make the deal, if you need to have the recoupment waived in order to be price competitive, then you can apply to us. And in fact the record shows that recoupment is routinely waived, almost invariably waived. The Department of Defense has in fact waived $773 million in these nonrecurring cost charges from 1991 through 1994 alone. So whenever it is necessary to waive it, it is there, no further statutory authority is necessary for that purpose, and it is routinely and liberally granted in order to make the sale go.

So we have before us a statutory provision in a bill that is supposed to save the Government money that would waive this authority altogether.

Why do we want to wipe out the authority to recoup some of the investment that we, the United States, has made in these systems, that is about to be cashed in by the defense contractors when they sell the system abroad?

Let me give you one particular case why I do not think clearly we need to waive the recoupment. Let us assume we have a very unique system for which there is no competition, no match anywhere else in the world, there is not even a question of price competitiveness, and another country wants to buy that system, and they come to the Department of Defense for approval to make the sale. Why should not DOD, why should not the American people collect some percentage of what we invested to develop that unique system?

If we wipe out as a matter of statutory law the provision that allows DOD to exact this charge, 3 to 5 percent on military sales, then we will forego that opportunity altogether, willy-nilly across the board.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, as I understand it, the recoupment provision is waived only for our NATO ally countries, and the rest of the world it is not waived for, is that correct?

Mr. SPRATT. Mr. Chairman, reclaiming my time, that is my understanding. It is waived on a case-by-case basis obviously. It is not waived as a blanket matter except for nonmajor pieces of equipment.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I think it is important to respond to the point of the gentleman from Indiana [Mr. BURTON]. The only plausible argument that I have heard to justify providing this subsidy for arms exports is to make our products competitive with other nations. The gentleman from South Carolina [Mr. SPRATT] has pointed out very effectively that there are a number of items where we are essentially the best in the world, we are either the sole supplier or have such a qualitative advantage in the product, there is no other serious competitor, and, therefore, there is no need to remove this recoupment of the subsidy that that exporter has.

Mr. SPRATT. Mr. Chairman, reclaiming my time, especially when it is liberally waived in the discretion of the Secretary of Defense whenever required.

□ 1415

Mr. BERMAN. The gentleman from Indiana sought to try and make a point, I think, by implication, that this is only done for NATO countries, not for other purchasers of arms. But that is not correct.

The law allows a case-by-case waiver anytime we want to give an advantage to our exporter over a competitive exporter from another country that perhaps is being subsidized by that country. The Department of Defense has the authority right now to waive this.

The strangest thing in the world, we are coming in the context of trying to balance the budget, our majority would say in 7 years, with massive cuts in all kinds of discretionary programs, with an effort to because they think it is important to expand what we are spending on defense, with major slashes in Medicare and other entitlement programs, and reinstating for the first time since the 1960's in commercial arms sales a subsidy to defense contractors, not just to win the particular sale but whether there is competition or not for that sale.

It is not just for NATO countries. It allows that waiver any other time. There is no reason in the world to go with this blanket repeal which will require an offset to make up for the loss of revenue.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. SPRATT] has expired.

(On request of Mr. BERMAN, and by unanimous consent, Mr. SPRATT was allowed to proceed for 2 additional minutes.)

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, this is really for informational purposes. Has any country outside of a NATO country benefited from the recoupment provision we are talking about? I know the gentleman is saying it is not limited just to NATO. What I would like to know is, has any other country really benefited because our own Government waived that provision?

Mr. BERMAN. Mr. Chairman, if the gentleman will continue to yield, I am told the answer is yes, that the recoupment provision has been waived in the case of arms sales, commercial arms sales to Israel. And the key thing is not what has happened in the past. The law allows case-by-case waivers. If the French notorious subsidizers of their defense industries decide in a product which they are competitive to compete with an American exporter and are subsidizing that sale, the law right now allows the Department of Defense to waive it so that the American company can make that sale. It is in there.

Why would we want to repeal the law which allows us to grab back the subsidies that otherwise the foreign country that wants to buy the goods is willing to pay when there is no meaningful competition? We are either the sole supplier or our particular weapons system is so much better than any other ones. This is really ridiculous.

I thank the gentleman for yielding to me.

Mr. SPRATT. Mr. Chairman, reclaiming my time, let me also point out that the cost of this waiver, depending, could be as much as a billion over the next 5 years. That has to be recovered under the budget rules from some source. The rule book solution to that is it must be recovered from mandatory spending. If it comes out of DOD's mandatory spending, that means it comes out of personnel retirement accounts. It is the only place we have got any real mandatory or direct spending in the DOD budget. The offset, therefore, requirement to make

this waiver possible will be DOD retirement programs.

Mr. MINGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the recoupment amendment. What we have here, it appears, is a type of corporate welfare. We have a sector of American industry which is faring extremely well in global competition. It has increased its market share dramatically.

At the same time we are attempting to balance the budget, we are asking veterans, we are asking students, we are asking farmers, we are asking seniors, we are asking many sectors of our society to take deep dramatic cuts in programs that they have historically found extremely important.

And here, over a 5-year period of time we are offering to essentially forgive, as a revenue opportunity for the Federal Government, $1 billion. I cannot see that, if we are asking the Nation to tighten its belts in the spirit of shared sacrifice, that we can with any credibility reject the amendment that has been offered. I urge support of this amendment.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

First, I would like to praise the gentlewoman from New York for offering this amendment. I think that it is an excellent one, one that must be passed. Second, I noticed that the provision in the bill that would repeal the recoupment provision is under the title competitiveness.

Everything can be done under the umbrella of competitiveness, but I think very often improperly so. I just came from a luncheon meeting of the Competitiveness Policy Council which issued its fourth annual report today. I started promoting the creation of the Competitiveness Policy Council back in the early 1980's. The competitiveness issue has been near and dear to my heart.

Not once in the past decade and a half did I ever hear any contractor object to this provision of the law because it hindered their competitiveness, especially given the ability of the administration to waive it, if that ever was a factor.

Most importantly, perhaps, though, is we are dealing right now with the great problem of the budget deficit. We are hearing proposals from the GOP for cuts in Medicare of $270 billion over the next several years, cuts in Medicaid of about $180 billion, cuts in the earned income tax credit, et cetera. And now we want to increase the deficit by eliminating this recoupment fee. That is ironic. It is an anomaly, it ought not to happen.

In this morning's paper we saw that the GOP is now considering abolishing corporate welfare, primarily through provisions of the Tax Code which gives them tax incentives, their tax expenditures. If they bring such a bill to the floor, then perhaps we could consider the abolition of the recoupment fee in concert with the repeal of all the corporate welfare provisions, but not right now. Right now this is simply a gift to corporate America at the expense of the taxpayer. We should support the Maloney amendment.

Mr. CLINGER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to this amendment.

Mr. Chairman, I would point out to the Members that one of the reasons we really decided to revisit procurement reform in the first place and the reason we have this bill on the floor is because that was an issue that was considered in the last Congress, one of the items that was not included in the bill that we brought to the floor last year.

This measure, this repeal of the recoupment provision is strongly, and I repeat that, strongly supported by this administration who feels that it has really been a very severe impediment to the ability to have military sales.

It was also supported prior to that by the Bush administration. So this is not a partisan issue. It has been one that has been supported by the executive branch under both Republicans and Democrats. So it is one that we felt needed to be addressed. I think it is important that we have this debate because I think there is no question in my mind that there is a strong disincentive for dealing with Americans on these issues because of the recoupment clause. I know that we have had testimony, discussion here the other way.

I think the other point I wanted to address was that the argument is made that this is somehow going to encourage arms sales. We are going to become an arms merchant, that we are going to contribute to the escalation of arms sales all over the world if this recoupment provision is repealed.

I think that is just absolutely not true. The fact is that the decision as to whether or not to buy a particular weapons system is not made in this context at all. This is an issue that arises only after the decision has been made to buy the system. Then it becomes a question of who do we deal with.

So the fact that we have somehow taken off the recoupment is in no way going to act as an incentive for a spur to additional arms sales. It will, however, have the result of making us much more competitive in terms of being able to compete with those people who used to be our allies in the world and are now our competitors. We really enacted this provision primarily for their benefit, to enable our NATO allies to have these weapons.

Now that is no longer the case. They are our competitors, and in many cases they are having us for lunch on some of these arms sales. This is a question of jobs, Mr. Chairman. We really are jeopardizing a number of jobs, many many jobs in this country by retaining this——

Ms. HARMON. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentlewoman from California.

Ms. HARMON. Mr. Chairman, is it not also a question of national security in this sense, that if we can keep these aerospace companies and defense contractors healthy doing things that are fully circumscribed by U.S. foreign policy constraints, then they will be alive to produce weapons and defense assets for the future in the event that we should need them in an increasingly unstable world?

Mr. CLINGER. The gentlewoman makes a very, very strong point. This is one way that we can help preserve the industrial base. If we see that shrink dramatically, it would, in fact, jeopardize us in the event we have hostilities somewhere else in the world. So it really has national security implications.

It has jobs implications, economic implications for this country. And it really will not, in any way, enhance or increase the number of sales. It just makes it more competitive in the world market. That is what we are dealing in. We are dealing in a world market in these areas.

I must regretfully oppose the gentlewoman's amendment.

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, one of the problems, when we say that it does not make us as competitive, No. 1, we dominate the world market with over 70 percent of sales. We have to remember that it is American tax dollars that create the research and development that makes our companies so successful in the world market.

We allocate well over $30 billion a year to research and development. The moneys that come back to the Department of Defense then go back into research and development. I must tell the gentleman that the offset would come out of a mandatory spending in the Defense Department, which would be military pensions.

Mr. CLINGER. Mr. Chairman, reclaiming my time, that is not the case. In fact, the offsets can come, when this happens, if the President decides to waive it now, he, under this bill, would be required to provide the offset.

We could make it very clear that they were not to be taken out of military spending or out of defense spending or anything else. I think it misrepresents to say it would necessarily work to the detriment of any group.

Mrs. MALONEY. Mr. Chairman, if the gentleman will continue to yield, the offset must come out of mandatory spending. Mandatory spending in the Defense Department is overwhelming, all mandatory spending is the quality of living.

Mr. CLINGER. But it does have to be the Defense Department.

Mrs. MALONEY. This comes from the staff of the Department of Defense.

Mr. CLINGER. But it does not have to be Defense Department. Mandatory spending is all across the board.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Let me say first of all, one of the things that has not been discussed is the amount of jobs that would be lost. For each $1 billion in sales, these are big ticket items, these things cost 25, 30, 100 million a copy. For each $1 billion in sales that are lost, we lose 16,000 jobs.

I wish the gentlewoman would listen to this, the gentlewoman who has been involved in this discussion.

For each $1 billion in sales that are lost, we lost 16,000 jobs. If we put a pencil to it, for each 1 percent of unemployment, it costs the Treasury about $42 billion for each 1 percent of unemployment. So one of the things that needs to be factored into the equation is the number of jobs that are lost and what kind of an impact that has on the national unemployment rate which also has a bearing on the deficit that we face every year in the Treasury. So there are other things that need to be factored in.

Let me read something out of statutes. There has been some misunderstanding, I believe, on whether or not we can sell these products and of the recoupment provision being employed outside of NATO. Let me read what the law says. The law says: The President may reduce or waive the charge or charges which would otherwise be considered appropriate under paragraphs 1(b) and 1(c) for particular sales that would, if made, significantly advance the United States Government interests in the North Atlantic Treaty Organization standardization, standardization with the armed forces of other countries, Japan, Australia or New Zealand and in furtherance of the mutual defense treaties between the United States and those countries or foreign procurement in the United States under coproduction arrangements.

□ 1430

Even now, when the gentleman from California a while ago was talking about Israel, I believe that is as a direct result of a coproduction arrangement on weapons systems that we did sell and the recoupment feature was employed, because of that coproduction. But there are many countries, many countries, that we may sell products to that do not fall into any of these categories. If that is the case, then there is no latitude in the law for the recoupment provisions to be waived. This may involve billions of dollars of sales to countries that are not NATO, that are not part of an agreement that we have for a mutual defense treaty, or a country under which there was a coproduction arrangement. So the fact of the matter is there are limitations for the recoupment procedures to be employed outside of the countries I just mentioned.

Now, let us say that there is a large number of these countries that do want to buy products from the United States, but the French, for instance, are trying to sell us a French Mirage and we are trying to sell them an F–16 fighter plane. The French would have a distinct advantage if this recoupment provision was not able to be removed, and under current law, the way I read it, it cannot be removed. So the fact of the matter is this legislation which the gentleman from Pennsylvania has been talking about is necessary to make us competitive, not just with our NATO allies, not just with those that have a mutual defense treaty, and not with those where we have a coproduction agreement, but with the rest of the world.

Some of these bids, as I understand it, are time-sensitive. The French may say, ''Hey, we want to sell you a French Mirage,'' and we may want to sell them an F–16, and there is a time frame under which they have to make an agreement in a fairly rapid manner. There is no provision in the law for the recoupment provision to be employed, so that sale by default would go to the French. And along with it would go American jobs, and along with those American jobs would be a higher rate of unemployment, which would translate into additional expenditures from the Treasury, which would exacerbate the deficit.

So the fact of the matter is my good friends, for whom I have the highest respect, are only telling half of the story. The other half is that the law needs to be changed in order to make us competitive worldwide.

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, the Department of Defense Deputy Inspector General, when he testified before the Committee on Small Business, stated that it could be waived on a case-by-case basis, and invariably it is always waived when you can show there is some detriment to achieving the sale.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 2 additional minutes.)

Mr. BURTON of Indiana. Mr. Chairman, I want to direct the gentlewoman's attention to page 725 and page 726 of title II of the U.S. Code. It is right there in black and white. I will be happy to bring it over to the gentlewoman and let her read it.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, I think there has been some problem in the course of this debate. First of all, if we are going to change the law we ought to be able to point out a problem. I do not see anyone who has identified a problem that contractors have had with these recoupment fees. I have yet to hear of a case where a contractor has lost a contract because of this recoupment fee. That is point No. 1.

Point No. 2, the gentleman is charging that the ability to waive under the law is narrowly circumscribed. We argue that it has invariably been granted. We know of no instance when a request for a waiver has been denied. If, however, the gentleman is correct on that issue, then the cure is to broaden the waiver authority.

Mr. BURTON of Indiana. That is what we are trying to do.

Mr. LAFALCE. Mr. Chairman, I would say to the gentleman, no, he is not broadening the waiver authority, he is repealing the fee. He is throwing the baby out with the bath water.

Mr. BURTON of Indiana. No, we are not.

Mr. LAFALCE. The totality of the argument went to what the gentleman saw is the narrowness of the waiver authority. We do not think it is narrow, we think it is extremely broad. If in fact you are correct, however, then come in with an amendment to broaden the waiver authority but not to repeal the basic recoupment fee.

Mr. BURTON of Indiana. If I may reclaim my time, I think we are splitting hairs here. The fact of the matter is that is what we are doing by repealing this law, what we are doing is we are making American industry competitive around the world with any foreign competitor. The people who used to be our allies, as the gentleman from New York [Mr. GILMAN] said a while ago, now are our economic competitors. We have to be competitive. This provision, which the gentleman from Pennsylvania [Mr. CLINGER] is trying to get repealed will make sure that takes place, that there is no advantage for any other country.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. I would like to make two points. First of all, we are the only nation in the world that has a recoupment provision of this sort. Clearly it is making us noncompetitive.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 1 additional minute.)

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, the fact of the matter is our competitors are getting better and better all the time. They are getting more and more competitive. This looms as a problem in the future much greater than perhaps it does now. It is really going to set us very much at a disadvantage in

terms of world sales. Why should we be the only one that disadvantages ourselves and our American workers when we do not need to, and when we really need to be more competitive at this stage of the game.

Mr. BURTON of Indiana. Let me just conclude by restating what my colleague just said. I hope Members hear this very clearly. We are the only country that has this recoupment provision in law, the only country. Our competitors subsidize their military production, their military equipment, which they sell around the world, but they do not have that recoupment provision. As a result, it does give them a distinct advantage. So I think that my colleague's legislation is well founded. I hope my colleague will support it.

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, I share the gentleman's view and want to associate myself with it.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 1 additional minute.)

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, I see these advantages in promoting foreign military sales that are definitely circumscribed by our limitations on arms exports, and these are carefully circumscribed. We are not changing the rules with respect to what can be exported and to whom. We are just making it easier to export.

If we encourage appropriate commercial foreign military sales, we do three things. Jobs is one. The second thing is we save the industrial base, which, as I mentioned before, we can use to our advantage later as national security problems arise. Third, and this is very important in terms of saving money for the government, we are able to manufacture more units of whatever is exported, because of the exports, and we lower by that means of the per-unit cost of the airplane or whatever the item is, which means that when the U.S. Government purchases that item in the future, for example, the C–17, the per——

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 30 additional seconds.)

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, the per unit cost of the C–17 or whatever it might be is lower to the U.S. Government so, bottom line, we save jobs, we save the industrial base, we lower the cost of defense purchases for the U.S. Government. For all these reasons I think this proposed change in the law is a good idea, and I oppose the amendment being offered by my very good friends over here.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of the amendment being offered by the gentlewoman from New York [Mrs. MALONEY] which strikes a section of the bill before us repealing the recoupment fees provision of the Arms Control Export Act. I would also like to commend our colleague, the gentleman from California [Mr. BERMAN], for his leadership, his ongoing leadership, on this important issue.

As we know, recoupment fees are intended to reimburse the U.S. taxpayer for some of the $35 billion spent annually on research and development costs for major weapons systems. These fees are then built into the cost of these weapons when they are sold to foreign countries.

Mr. Chairman, foreign governments have paid nearly $1 billion in recoupment fees for the last 5 years. According to the Congressional Research Service, collections over the next 5 years will also amount to approximately $1 billion. Failure to pass this amendment will not only shortchange the U.S. taxpayer, but it will guarantee the highly successful defense industry yet another corporate subsidy.

Mr. Chairman, corporate recoupment fees also act as an important check on weapons proliferation. Without such fees we will in effect further subsidize foreign military sales and regional arms races. Our foreign military sales programs allows the United States control over who may take advantage of subsidized purchases of weapons systems.

By striking recoupment fees, we are relinquishing this control. Every potential purchaser would be able to take advantage of this taxpayer-funded largesse. A vote for this amendment is a vote for greater accountability and control over these weapons systems. It is also a vote for greater financial accountability and a vote against corporate welfare.

Mr. Chairman, I would like to, as I continue my remarks, comment on some of what I have heard from recent speakers, all of whom, let us all stipulate, we respect, and we are all distinguished representatives of our constituents.

Having said that, I would like to take issue with some of the statements that have been made. One is that this recoupment fee, eliminating it will make us more competitive. In fact, as it has been stated, does not the recoupment requirement make the U.S. military equipment less competitive in international markets, depriving our contractors of their foreign sales needed?

No, no, no, for several reasons. U.S. military equipment simply dominates the world market. It is just too good, dollar for dollar. Sales data confirms this. Each year sales of United States military equipment was more than the combined sales of all other countries combined, including France, Great Britain, Russia, China, the most aggressive arms exporters, referencing all of those countries combined. During the fiscal year 1991 to 1994 period, sales of U.S. equipment would increase 62 percent over the previous 4-year period, while total world purchases have declined 42 percent.

There is a case-by-case waiver authority. It is generally granted, so when others, in addition to the competitive argument, say there cannot be a waiver, in the law itself there is a case-by-case waiver. It is generally granted if the contractor can demonstrate to DOD that recoupment is the difference between making a foreign sale or no foreign sale.

The issue of jobs has come up. When are we going to stop having our economy be based on a military and defense economy only? Why are we not talking about developing other kinds of exports?

As far as the industrial base is concerned, we spend a quarter of a trillion dollars a year on defense. A great deal of that is invested into our industrial base. We do not need to have further underwriting and corporate welfare there.

Mr. Chairman, I would like to reference a letter from the deputy inspector general, who has confirmed some of what I have said. He said, ''Since the U.S. sales of military hardware exceeds all other countries combined, there is in my mind a great deal of doubt about the need to eliminate the recovery requirement when it can be done through waivers of a case-by-case basis.''

I say, referencing further his testimony before the Congress, he said ''We disagree with the change,'' and this is the inspector general, the deputy inspector general of the Department of Defense, he said ''We disagree with the change. The current law and regulations allow the charge to be waived if the charge is an impediment to the sale. Request for waivers are invariably granted.''

The CHAIRMAN. The time of the gentlewoman from California [Ms. PELOSI] has expired.

(By unanimous consent, Ms. PELOSI was allowed to proceed for 30 additional seconds.)

Ms. PELOSI. Mr. Chairman, I urge our colleagues to support the Maloney amendment. The recoupment fee issue is corporate welfare, it is back door military assistance. It contributes to arms proliferation. It is not about competition, and it will be much more costly than its proponents suggests.

Let us not have this House of Representatives be the handmaiden of the military industrial complex. Let us have a strong national defense. Let us

try to end the proliferation of weapons of mass destruction. Sure, here we are talking international, but we sell far too many of those and we have a moral responsibility to hold that in check.

The CHAIRMAN. That time of the gentlewoman from California [Ms. PELOSI] has expired.

(By unanimous consent, Ms. PELOSI was allowed to proceed for 30 additional seconds.)

Mr. CLINGER. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentlewoman from Pennsylvania.

Mr. CLINGER. Briefly, Mr. Chairman, I would like to make the point that the Defense Security Assistance Agency and the administration strongly support repeal of this. I would just question the appropriateness of the inspector general making policy in these kinds of areas. It seems to me it is the policymakers of the Department of Defense who really should be paid attention to in this area.

Ms. PELOSI. Mr. Chairman, I was referencing the letter from the deputy inspector general of the Department of Defense when I talked about the use of the waiver.

□ 1445

Mr. FARR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really want to rise to question what is really broke here. If we say that the military defense industry is broke because they cannot compete in the world, then we have to look at the fact that 70 percent of the world market is controlled by U.S. industry, so we would not say that U.S. industry is really hurting there.

If we say, well, this is an impact on American industry that other foreign competitors do not have, we have to look at the way this industry generates its revenue. The taxpayers of this country have put forth $30 billion in R&D military research money. The law, which has been in effect for a number of years, estimates that in the next 5 years it is going to recoup from that $30 billion investment $1 billion. That is certainly not a very good return on the taxpayers' investment.

I think we have to also compare that we put a lot of money into universities. When universities come up with an idea and invent it, they patent it, and that goes into marketing that idea and the university is able to recoup over time the invention, the effort in that invention. I mean, they own it.

What we are saying here is that the American taxpayers own this invention, They put the money in and they ought to get something back for it.

The defense industry, I think this is a weak issue to be pleading on. I come from California where the majority of defense contract dollars go. We get 23 percent of the entire defense contracts, and I think New York was second with 12 percent. We got about as much in defense contracting a few years ago that equaled the entire State budget.

The industry has not been moving out of California. The tax base in California is very high. Labor costs in California are very high. The next thing we are going to hear is, let us repeal all of those local taxes and those job incentives because the industry has got to leave.

I rise in support of the Maloney-DeFazio-Berman amendment because I want to support the American taxpayers who are the real shareholders in the defense industry, and they ought to get a return on their investment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Mrs. MALONEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. MALONEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 259, not voting 11, as follows:

[Roll No. 662]

AYES—164

Abercrombie
Andrews
Baesler
Baldacci
Ballenger
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clement
Coleman
Collins (IL)
Collins (MI)
Condit
Costello
Coyne
DeFazio
Dellums
Deutsch
Dingell
Dixon
Doggett
Doyle
Duncan
Durbin
Ehrlich
Ensign
Eshoo
Evans
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Foglietta
Foley
Ford
Frank (MA)
Furse
Gibbons
Green
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hinchey
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy (MA)
Kennedy (RI)
Kildee
Kingston
Kleczka
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
LoBiondo
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McKinney
Meehan
Menendez
Mfume
Miller (CA)
Minge
Mink
Montgomery
Nadler
Neal
Ney
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Rahall
Ramstad
Rangel
Reed
Rivers
Rose
Roth
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Scarborough
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shadegg
Shays
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Thurman
Torres
Torricelli
Towns
Traficant
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Whitfield
Williams
Wise
Woolsey
Wyden
Yates
Zimmer

NOES—259

Ackerman
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehlers
Emerson
Engel
English
Everett
Ewing
Fields (TX)
Flanagan
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kelly
Kennelly
Kim
King
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Longley
Lucas
Manton
Manzullo
Martini
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Peterson (FL)
Pickett
Pombo
Pryce
Quillen
Quinn
Radanovich
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Saxton
Schaefer
Schiff
Seastrand
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—11

Conyers
Frost
McDade
Meek
Mineta
Moakley
Reynolds
Sisisky
Solomon
Tucker
Velazquez

□ 1509

Mr. SHADEGG and Ms. JACKSON-LEE changed their vote from ''no'' to ''aye.''

Mr. PETERSON of Florida changed his vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any further amendments to title III?

Mr. FRANKS of New Jersey. Mr. Chairman, I move to strike the last word for the purpose of entering into a colloquy with the distinguished chairman regarding one specific area of Federal contracts, the acquisition and management of the cars and trucks used by the Federal Government.

Mr. HORN. Mr. Chairman, will the gentleman yield?

Mr. FRANKS of New Jersey. I yield to the gentleman from California.

Mr. HORN. Mr. Chairman, As chairman of the Subcommittee on Government Management, Information and Technology, I would be pleased to have a colloquy with the gentleman from New Jersey.

Mr. FRANKS of New Jersey. Mr. Chairman, earlier this year, I introduced a bill, H.R. 1981, that would bring much needed reform to the way that the Federal Government buys and manages its fleets of almost 400,000 vehicles at an annual cost in excess of a billion dollars. This bill, the Efficient Fleet Management Act of 1995, would require all Federal agencies to obey a 1985 law demanding a full account of their fleet operations cost and to make all related contract decisions based on fully developed cost comparisons of both public and private vendors.

Mr. Chairman, as the gentleman knows, at my request, the GAO submitted a report last December on the poor compliance with that 1985 law and the poor cost of accounting that still plagues the Government's fleet management. My bill would address many of the problems that the GAO identified in that report.

Instead of offering my bill as an amendment to the bill today, I look for assurances from the committee that it will address these problems.

Mr. HORN. I commend my distinguished colleague from New Jersey for his innovative bill, H.R. 1981. I agree with the gentleman that the current lack of clear cost accounting and real cost comparisons are a very troubling problem. Many agencies simply cannot track those costs by activity. Any business in America can do that, but only a handful of Federal agencies can make the same claim.

As the gentleman knows, the Committee on Government Reform and Oversight is in the process of reviewing how the General Services Administration and other agencies administer their fleets. The GSA fleet covers 30 percent of all Federal vehicles. This investigation is taking more time than we had hoped, since we are awaiting the release of the Arthur Anderson business line review of GSA's operations.

In due course, the Subcommittee on Government Management, Information and Technology of the Committee on Government Reform and Oversight will have a hearing on GSA's restructuring of its fleet management operations. In this context, we will certainly examine the gentleman from New Jersey's bill and see what the General Accounting Office has to say on the same subject. I am optimistic we can resolve this matter before too many months have gone by.

Mr. FRANKS of New Jersey. Mr. Chairman, I want to thank the gentleman from California and Chairman CLINGER, and I look forward to working with the gentleman on making certain Government agencies reform the way they conduct their fleet management operations.

Mr. HORN. I thank the gentleman.

□ 1515

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—STREAMLINING OF DISPUTE RESOLUTION

Subtitle A—General Provisions

SEC. 401. DEFINITIONS.

(a) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"Subtitle A—General Provisions

"SEC. 201. DEFINITIONS.

''In this title:

''(1) The term 'Defense Board' means the Department of Defense Board of Contract Appeals established pursuant to section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

''(2) The term 'Civilian Board' means the Civilian Board of Contract Appeals established pursuant to section 8(b) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

''(3) The term 'Board judge' means a member of the Defense Board or the Civilian Board, as the case may be.

''(4) The term 'Chairman' means the Chairman of the Defense Board or the Civilian Board, as the case may be.

''(5) The term 'Board concerned' means—

''(A) the Defense Board with respect to matters within its jurisdiction; and

''(B) the Civilian Board with respect to matters within its jurisdiction.

''(6) The term 'executive agency'—

''(A) for purposes of contract disputes under section 213—

''(i) with respect to contract disputes under the jurisdiction of the Defense Board, means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force; and

''(ii) with respect to contract disputes under the jurisdiction of the Civilian Board, has the meaning given by section 2(2) of the Contract Disputes Act of 1978 (41 U.S.C. 601(2)) except that the term does not include the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force; and

''(B) for purposes of protests under section 214—

''(i) with respect to protests under the jurisdiction of the Defense Board, means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force; and

''(ii) with respect to protests under the jurisdiction of the Civilian Board, has the meaning given by section 4(1) of this Act except that the term does not include the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force.

''(7) The term 'alternative means of dispute resolution' has the meaning given by section 571(3) of title 5, United States Code.

''(8) The term 'protest' means a written objection by an interested party to any of the following:

''(A) A solicitation or other request by an executive agency for offers for a contract for the procurement of property or services.

''(B) The cancellation of such a solicitation or other request.

''(C) An award or proposed award of such a contract.

''(D) A termination or cancellation of an award of such a contract, if the written objection contains an allegation that the termination or cancellation is based in whole or in part on improprieties concerning the award of the contract.

''(9) The term 'interested party', with respect to a contract or a solicitation or other request for offers, means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract.

''(10) The term 'prevailing party', with respect to a determination of the Board under section 214(h)(2) that a decision of a contracting officer violates a statute or regulation, means a party that demonstrated such violation.''.

(b) CONFORMING AMENDMENTS.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is further amended—

(1) by inserting the following before section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY"*;*

and

(2) in section 4, by striking out ''As used in this Act:'' and inserting in lieu thereof ''Except as otherwise specifically provided, as used in this Act:''.

Subtitle B—Establishment of Civilian and Defense Boards of Contract Appeals

SEC. 411. ESTABLISHMENT.

Subsections (a) and (b) of section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) are amended to read as follows:

''(a) There is established in the Department of Defense a board of contract appeals to be known as the Department of Defense Board of Contract Appeals.

''(b) There is established in the General Services Administration a board of contract appeals to be known as the Civilian Board of Contract Appeals.''.

SEC. 412. MEMBERSHIP.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 401, is further amended by adding at the end the following:

"SEC. 202. MEMBERSHIP.

''(a) APPOINTMENT.—(1)(A) The Defense Board shall consist of judges appointed by the Chairman, without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Defense Board judge, from a register of applicants maintained by the Defense Board.

''(B) The Civilian Board shall consist of judges appointed by the Chairman, without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Civilian Board judge, from a register of applicants maintained by the Civilian Board.

''(2) The members of the Defense Board and the Civilian Board shall be selected and appointed to serve in the same manner as administrative law judges appointed pursuant to section 3105 of title 5, United States Code, with an additional requirement that such members shall have had not fewer than five years of experience in public contract law.

''(3) Notwithstanding paragraph (2) and subject to subsection (b), the following persons shall serve as Board judges:

''(A) For the Defense Board, any full-time member of the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

''(B) For the Civilian Board, any full-time member of any agency board of contract appeals other than the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

''(C) For either the Defense Board or the Civilian Board, any person serving on the day before the date of the enactment of this title in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code.

''(b) REMOVAL.—Members of the Defense Board and the Civilian Board shall be subject to removal in the same manner as administrative law judges, as provided in section 7521 of title 5, United States Code.

''(c) COMPENSATION.—Compensation for the Chairman of the Defense Board and the Chairman of the Civilian Board and all other members of each Board shall be determined under section 5372a of title 5, United States Code.''.

SEC. 413. CHAIRMAN.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 412, is further amended by adding at the end the following:

''SEC. 203. CHAIRMAN.

''(a) DESIGNATION.—(1)(A) The Chairman of the Defense Board shall be designated by the Secretary of Defense to serve for a term of five years. The Secretary shall select the Chairman from among sitting judges each of whom has had at least five years of service—

''(i) as a member of the Armed Services Board of Contract Appeals; or

''(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

''(B) The Chairman of the Civilian Board shall be designated by the Administrator of General Services to serve for a term of five years. The Administrator shall select the Chairman from among sitting judges each of whom has had at least five years of service—

''(i) as a member of an agency board of contract appeals other than the Armed Services Board of Contract Appeals; or

''(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

''(2) A Chairman of a Board may continue to serve after the expiration of the Chairman's term until a successor has taken office. A Chairman may be reappointed any number of times.

''(b) RESPONSIBILITIES.—The Chairman of the Defense Board or the Civilian Board, as the case may be, shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including functions of the Board with respect to the following:

''(1) The selection, appointment, and fixing of the compensation of such personnel, pursuant to part III of title 5, United States Code, as the Chairman considers necessary or appropriate, including a Clerk of the Board, a General Counsel, and clerical and legal assistance for Board judges.

''(2) The supervision of personnel employed by or assigned to the Board, and the distribution of work among such personnel.

''(3) The operation of an Office of the Clerk of the Board, including the receipt of all filings made with the Board, the assignment of cases, and the maintenance of all records of the Board.

''(4) The prescription of such rules and regulations as the Chairman considers necessary or appropriate for the administration and management of the Board.

''(c) VICE CHAIRMEN.—The Chairman of the Defense Board or the Civilian Board, as the case may be, may designate up to four other Board judges as Vice Chairmen. The Chairman may divide the Board into two divisions, one for handling contract disputes and one for handling protests, and, if such division is made, shall assign a Vice Chairman to head each division. The Vice Chairmen, in the order designated by the Chairman, shall act in the place and stead of the Chairman during the absence of the Chairman.''.

SEC. 414. RULEMAKING AUTHORITY.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 413, is further amended by adding at the end the following:

''SEC. 204. RULEMAKING AUTHORITY.

''The Chairman of the Defense Board and the Chairman of the Civilian Board shall jointly issue and maintain—

''(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Boards under sections 213 and 214; and

''(2) statements of policy of general applicability with respect to such functions.''.

SEC. 415. AUTHORIZATION OF APPROPRIATIONS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 414, is further amended by adding at the end the following:

''SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated for fiscal year 1997 and each succeeding fiscal year such sums as may be necessary to carry out the provisions of this title. Funds for the activities of each Board shall be separately appropriated for such purpose. Funds appropriate pursuant to this section shall remain available until expended.''.

Subtitle C—Functions of Defense and Civilian Boards of Contract Appeals

SEC. 421. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 415, is further amended by adding at the end the following:

''Subtitle B—Functions of the Defense and Civilian Boards of Contract Appeals

''SEC. 211. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

''(a) REQUIREMENT TO PROVIDE SERVICES UPON REQUEST.—The Defense Board and the Civilian Board shall each provide alternative means of dispute resolution for any disagreement regarding a contract or prospective contract of an executive agency upon the request of all parties to the disagreement.

''(b) PERSONNEL QUALIFIED TO ACT.—Each Board judge and each attorney employed by the Board concerned shall be considered to be qualified to act for the purpose of conducting alternative means of dispute resolution under this section.

''(c) SERVICES TO BE PROVIDED WITHOUT CHARGE.—Any services provided by the Board concerned or any Board judge or employee pursuant to this section shall be provided without charge.

''(d) RECUSAL OF CERTAIN PERSONNEL UPON REQUEST.—In the event that a matter which is presented to the Board concerned for alternative means of dispute resolution, pursuant to this section, later becomes the subject of formal proceedings before such Board, any Board judge or employee who was involved in the alternative means of dispute resolution shall, if requested by any party to the formal proceeding, take no part in that proceeding.''.

SEC. 422. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 421, is further amended by adding at the end the following:

''SEC. 212. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

''With reasonable promptness after the submission to the Defense Board or the Civilian Board of a contract dispute under section 213 or a bid protest under section 214, a Board judge to whom the contract dispute or protest is assigned shall request the parties to meet with a Board judge, or an attorney employed by the Board concerned, for the purpose of attempting to resolve the dispute or protest through alternative means of dispute resolution. Formal proceedings in the appeal shall then be suspended until such time as any party or a Board judge to whom the dispute or protest is assigned determines that alternative means of dispute resolution are not appropriate for resolution of the dispute or protest.''.

SEC. 423. CONTRACT DISPUTES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 422, is further amended by adding at the end the following:

''SEC. 213. CONTRACT DISPUTES.

''The Defense Board shall have jurisdiction as provided by section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 601–613). The Civilian Board shall have jurisdiction as provided by section 8(b) of such Act.''.

SEC. 424. PROTESTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 423, is further amended by adding at the end the following:

''SEC. 214. PROTESTS.

''(a) REVIEW REQUIRED UPON REQUEST.—Upon request of an interested party in connection with any procurement conducted by an executive agency, the Defense Board or the Civilian Board, as the case may be, shall review, as provided in this section, any decision by the head of the executive agency alleged to violate a statute or regulation. A decision or order of the Board concerned pursuant to this section shall not be subject to interlocutory appeal or review.

''(b) STANDARD OF REVIEW.—In deciding a protest, the Board concerned may consider all evidence that is relevant to the decision under protest. It shall accord a presumption of correctness to the decision under protest. The protester may rebut such presumption by showing, by a preponderance of the evidence, that the decision was arbitrary or capricious or violated a statute or regulation.

''(c) NOTIFICATION.—Within one day after the receipt of a protest, the Board concerned shall notify the executive agency involved of the protest.

''(d) SUSPENSION OF CONTRACT AWARD.—(1) Except as provided in paragraph (2) of this subsection, a contract may not be awarded in any procurement after the executive agency has received notice of a protest with respect to such procurement from the Board concerned and while the protest is pending.

''(2) The head of the procuring activity responsible for award of a contract may authorize the award of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

''(A) upon a written finding that urgent and compelling circumstances which significantly affect interests of the United States will not permit waiting for the decision of the Board concerned under this section; and

''(B) after the Board concerned is advised of that finding.

''(3) A finding may not be made under paragraph (2)(A) of this subsection unless the award

of the contract is otherwise likely to occur within 30 days after the making of such finding.

''(4) The suspension of the award under paragraph (1) shall not preclude the executive agency concerned from continuing the procurement process up to but not including the award of the contract.

''(e) SUSPENSION OF CONTRACT PERFORMANCE.—(1) A contractor awarded an executive agency contract may, during the period described in paragraph (4), begin performance of the contract and engage in any related activities that result in obligations being incurred by the United States under the contract unless the contracting officer responsible for the award of the contract withholds authorization to proceed with performance of the contract.

''(2) The contracting officer may withhold an authorization to proceed with performance of the contract during the period described in paragraph (4) if the contracting officer determines in writing that—

''(A) a protest is likely to be filed; and

''(B) the immediate performance of the contract is not in the best interests of the United States.

''(3)(A) If the executive agency awarding the contract receives notice of a protest in accordance with this section during the period described in paragraph (4)—

''(i) the contracting officer may not authorize performance of the contract to begin while the protest is pending; or

''(ii) if authorization for contract performance to proceed was not withheld in accordance with paragraph (2) before receipt of the notice, the contracting officer shall immediately direct the contractor to cease performance under the contract and to suspend any related activities that may result in additional obligations being incurred by the United States under that contract.

''(B) Performance and related activities suspended pursuant to subparagraph (A)(ii) by reason of a protest may not be resumed while the protest is pending.

''(C) The head of the procuring activity may authorize the performance of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

''(i) upon a written finding that urgent and compelling circumstances that significantly affect interests of the United States will not permit waiting for the decision concerning the protest by the Board concerned; and

''(ii) after the Board concerned is notified of that finding.

''(4) The period referred to in paragraphs (2) and (3)(A), with respect to a contract, is the period beginning on the date of the contract award and ending on the later of—

''(A) the date that is 10 days after the date of the contract award; or

''(B) the date that is 5 days after the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required.

''(f) The authority of the head of the procuring activity to make findings and to authorize the award and performance of contracts under subsections (d) and (e) of this section may not be delegated.

''(g) PROCEDURES.—

''(1) PROCEEDINGS AND DISCOVERY.—The Board concerned shall conduct proceedings and allow such discovery to the minimum extent necessary for the expeditious, fair, and cost-effective resolution of the protest. The Board concerned shall limit discovery to material which is relevant to the grounds of protest or to such affirmative defenses as the executive agency involved, or any intervenor supporting the agency, may raise.

''(2) PRIORITY.—The Board concerned shall give priority to protests filed under this section over contract disputes and alternative dispute services. Except as provided in paragraph (3), the Board concerned shall issue its final decision within 65 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman. An amendment that adds a new ground of protest should be resolved, to the maximum extent practicable, within the time limits established for resolution of the initial protest.

''(3) THRESHOLD.—(A) Except as provided in subparagraph (B), any protest in which the anticipated value of the contract award that will result from the protested procurement, as estimated by the executive agency involved, is less than $20,000,000 shall be considered under simplified rules of procedure. Such simplified rules shall provide that discovery in such protests shall be in writing only. Such protests shall be decided by a single Board judge. The Board concerned shall issue its final decision in each such protest within 40 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman.

''(B) If the Chairman of the Board concerned determines that special and unique circumstances of a protest that would otherwise qualify for the simplified rules described in subparagraph (A), including the complexity of a protest, requires the use of full procedures as described in paragraphs (1) and (2), the Chairman shall use such procedures in lieu of the simplified rules described in subparagraph (A).

''(4) CALCULATION OF TIME FOR ADR.—In calculating time for purposes of paragraph (2) or (3) of this subsection, any days during which proceedings are suspended for the purpose of attempting to resolve the protest by alternative means of dispute resolution, up to a maximum of 20 days, shall not be counted.

''(5) DISMISSAL OF FRIVOLOUS PROTESTS.—The Board concerned may dismiss a protest that the Board concerned determines—

''(A) is frivolous,

''(B) has been brought or pursued in bad faith; or

''(C) does not state on its face a valid basis for protest.

''(6) PAYMENT OF COSTS FOR FRIVOLOUS PROTESTS.—(A) If the Board concerned expressly finds that a protest or a portion of a protest is frivolous or has been brought or pursued in bad faith, the Board concerned shall declare that the protester or other interested party who joins the protest is liable to the United States for payment of the costs described in subparagraph (B) unless—

''(i) special circumstances would make such payment unjust; or

''(ii) the protester obtains documents or other information after the protest is filed with the Board concerned that establishes that the protest or a portion of the protest is frivolous or has been brought or pursued in bad faith, and the protester then promptly withdraws the protest or portion of the protest.

''(B) The costs referred to in subparagraph (A) are all of the costs incurred by the United States of reviewing the protest, or of reviewing that portion of the protest for which the finding is made, including the fees and other expenses (as defined in section 2412(d)(2)(A) of title 28, United States Code) incurred by the United States in defending the protest.

''(h) DECISIONS AND CORRECTIVE ACTIONS ON PROTESTS.—(1) In making a decision on protests filed under this section, the Board concerned shall accord due weight to the goals of economic and efficient procurement, and shall take due account of the rule of prejudicial error.

''(2) If the Board concerned determines that a decision of the head of the executive agency violates a statute or regulation, the Board concerned may order the agency (or its head) to take such corrective action as the Board concerned considers appropriate. Corrective action includes requiring that the executive agency—

''(A) refrain from exercising any of its options under the contract;

''(B) recompete the contract immediately;

''(C) issue a new solicitation;

''(D) terminate the contract;

''(E) award a contract consistent with the requirements of such statute and regulation;

''(F) implement any combination of requirements under subparagraphs (A), (B), (C), (D), and (E); or

''(G) implement such other actions as the Board concerned determines necessary.

''(3) If the Board concerned orders corrective action after the contract award, the affected contract shall be presumed valid as to all goods or services delivered and accepted under the contract before the corrective action was ordered.

''(4) Any agreement that provides for the dismissal of a protest and involves a direct or indirect expenditure of appropriated funds shall be submitted to the Board concerned and shall be made a part of the public record (subject to any protective order considered appropriate by the Board concerned) before dismissal of the protest.

''(i) AUTHORITY TO DECLARE ENTITLEMENT TO COSTS.—(1)(A) Whenever the Board concerned determines that a decision of a contracting officer violates a statute or regulation, it may, in accordance with section 1304 of title 31, United States Code, further declare an appropriate prevailing party to be entitled to the costs of—

''(i) filing and pursuing the protest, including reasonable attorneys' fees and consultant and expert witness fees, and

''(ii) bid and proposal preparation.

''(B) No party (other than a small business concern (within the meaning of section 3(a) of the Small Business Act)) may be declared entitled under this paragraph to costs for—

''(i) consultant and expert witness fees that exceed the highest rate of compensation for expert witnesses paid by the Federal Government, or

''(ii) attorneys' fees that exceed $150 per hour unless the Board concerned, on a case by case basis, determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

''(2) Payment of amounts due from an agency under paragraph (1) or under the terms of a settlement agreement under subsection (h)(4) shall be made from the appropriation made by section 1304 of title 31, United States Code, for the payment of judgments. The executive agency concerned shall reimburse that appropriation account out of funds available for the procurement.

''(j) APPEALS.—A final decision of the Board concerned may be appealed as set forth in section 8(g)(1) of the Contract Disputes Act of 1978 by the head of the executive agency concerned and by any interested party, including interested parties who intervene in any protest filed under this section.

''(k) ADDITIONAL RELIEF.—Nothing contained in this section shall affect the power of the Board concerned to order any additional relief which it is authorized to provide under any statute or regulation.

''(l) NONEXCLUSIVITY OF REMEDIES.—Nothing contained in this section shall affect the right of any interested party to file a protest with the contracting agency or to file an action in the United States Court of Federal Claims or in a United States district court.''.

SEC. 425. APPLICABILITY TO CERTAIN CONTRACTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 424, is further amended by adding at the end the following:

"SEC. 215. APPLICABILITY TO CERTAIN CONTRACTS.

"(a) CONTRACTS AT OR BELOW THE SIMPLIFIED ACQUISITION THRESHOLD.—Notwithstanding section 33 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts in amounts not greater than the simplified acquisition threshold.

"(b) CONTRACTS FOR COMMERCIAL ITEMS.—Notwithstanding section 34 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts for the procurement of commercial items.".

Subtitle D—Repeal of Other Statutes Authorizing Administrative Protests

SEC. 431. REPEALS.

(a) GSBCA PROVISIONS.—Subsection (f) of the Brooks Automatic Data Processing Act (section 111 of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 759) is repealed.

(b) GAO PROVISIONS.—(1) Subchapter V of chapter 35 of title 31, United States Code (31 U.S.C. 3551–3556) is repealed.

(2) The analysis for chapter 35 of such title is amended by striking out the items relating to sections 3551 through 3556 and the heading for subchapter V.

Subtitle E—Transfers and Transitional, Savings, and Conforming Provisions

SEC. 441. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) TRANSFERS.—

(1) ARMED SERVICES BOARD OF CONTRACT APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Armed Services Board of Contract Appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date of this Act), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(2) OTHER BOARDS OF CONTRACTS APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) other than the Armed Services Board of Contract Appeals (as in effect on the day before the effective date of this Act), shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(3) COMPTROLLER GENERAL.—(A) One-third (as determined by the Comptroller General) of the personnel employed in connection with, and one-third (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this Act), shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(B) Two-thirds (as determined by the Comptroller General) of the personnel employed in connection with, and two-thirds (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this Act), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(b) EFFECT ON PERSONNEL.—Personnel transferred pursuant to this title shall not be separated or reduced in compensation for one year after such transfer, except for cause.

(c) REGULATIONS.—(1) The Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals shall each prescribe regulations for the release of competing employees in a reduction in force that gives due effect to—

(A) efficiency or performance ratings;

(B) military preference; and

(C) tenure of employment.

(2) In prescribing the regulations, the Board concerned shall provide for military preference in the same manner as set forth in subchapter I of chapter 35 of title 5, United States Code.

SEC. 442. TERMINATIONS AND SAVINGS PROVISIONS.

(a) TERMINATION OF BOARDS OF CONTRACT APPEALS.—On the effective date of this title, the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date of this Act) shall terminate.

(b) SAVINGS PROVISION FOR CONTRACT DISPUTE MATTERS PENDING BEFORE BOARDS.—(1) The provisions of this title shall not affect any proceedings (other than bid protests pending before the board of contract appeals of the General Services Administration) pending on the effective date of this Act before any board of contract appeals described in subsection (a).

(2) In the case of any such proceedings pending before the Armed Services Board of Contract Appeals, the proceedings shall be continued by the Department of Defense Board of Contract Appeals, and orders which were issued in any such proceeding by the Armed Services Board of Contract Appeals shall continue in effect until modified, terminated, superseded, or revoked by the Department of Defense Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(3) In the case of any such proceedings pending before an agency board of contract appeals other than the Armed Services Board of Contract Appeals, the proceedings shall be continued by the Civilian Board of Contract Appeals, and orders which were issued in any such proceeding by the agency board shall continue in effect until modified, terminated, superseded, or revoked by the Civilian Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(c) BID PROTEST TRANSITION PROVISIONS.—(1) No protest may be submitted to the Comptroller General pursuant to section 3553(a) of title 31, United States Code, or to the board of contract appeals for the General Services Administration pursuant to the Brooks Automatic Data Processing Act (40 U.S.C. 759) on or after the effective date of this Act.

(2) In the case of bid protest proceedings pending before the board of contract appeals of the General Services Administration on the effective date of this Act, the proceedings shall be continued by the Civilian Board of Contract Appeals. The provisions repealed by section 431(a) shall continue to apply to such proceedings until the Civilian Board of Contract Appeals determines such proceedings have been completed.

(3) The provisions repealed by section 431(b) shall continue to apply to proceedings pending on the effective date of this title before the Comptroller General pursuant to those provisions, until the Comptroller General determines such proceedings have been completed.

SEC. 443. CONTRACT DISPUTES AUTHORITY OF BOARDS.

(a) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended—

(1) by amending paragraph (6) to read as follows:

"(6) the term 'Defense Board' means the Department of Defense Board of Contract Appeals established under section 8(a) of this Act;";

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following new paragraph (7):

"(7) the term 'Civilian Board' means the Civilian Board of Contract Appeals established under section 8(b) of this Act; and".

(b) Section 6(c)(6) of the Contract Disputes Act of 1978 (41 U.S.C. 605(c)(6)) is amended—

(1) by striking out "court or an agency board of contract appeals" and inserting in lieu thereof "court, the Defense Board, or the Civilian Board";

(2) by striking out "an agency board of contract appeals" in the third sentence and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(3) by striking out "agency board" and inserting in lieu thereof "the Board concerned".

(c) Section 7 of the Contract Disputes Act of 1978 (41 U.S.C. 606) is amended by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(d) Section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607), as amended by section 411, is further amended—

(1) by amending the heading to read as follows:

"DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS";

(2) by striking out subsection (c);

(3) in subsection (d)—

(A) by striking out the first sentence and inserting in lieu thereof the following:

"The Defense Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force relative to a contract made by that department. The Civilian Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of any executive agency (other than the Department of Defense or the Department of the Army, the Navy, or the Air Force) relative to a contract made by that agency."; and

(B) in the second sentence, by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(4) in subsection (e), by striking out "An agency board shall provide" and inserting in lieu thereof "The Defense Board and the Civilian Board shall each provide,";

(5) in subsection (f), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board";

(6) in subsection (g)—

(A) in the first sentence of paragraph (1), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board, as the case may be,";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2); and

(7) by striking out subsections (h) and (i).

(e) Section 9 of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended—

(1) in subsection (a), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board"; and

(2) in subsection (b), by striking out "the agency board" and inserting in lieu thereof "the Board concerned".

(f) Section 10 of the Contract Disputes Act of 1978 (41 U.S.C. 609) is amended—

(1) in subsection (a)—

(A) in the first sentence of paragraph (1)—

(i) by striking out ''Except as provided in paragraph (2), and in'' and inserting in lieu thereof ''In''; and

(ii) by striking out ''an agency board'' and inserting in lieu thereof ''the Defense Board or the Civilian Board'';

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking out ''or (2)'';

(2) in subsection (b)—

(A) by striking out ''any agency board'' and inserting in lieu thereof ''the Defense Board or the Civilian Board''; and

(B) by striking out ''the agency board'' and inserting in lieu thereof ''the Board concerned'';

(3) in subsection (c)—

(A) by striking out ''an agency board'' and inserting in lieu of each ''the Defense Board or the Civilian Board''; and

(B) by striking out ''the agency board'' and inserting in lieu thereof ''the Board concerned''; and

(4) in subsection (d)—

(A) by striking out ''one or more agency boards'' and inserting in lieu thereof ''the Defense Board or the Civilian Board (or both)''; and

(B) by striking out ''or among the agency boards involved'' and inserting in lieu thereof ''one or both of the Boards''.

(g) Section 11 of the Contract Disputes Act of 1978 (41 U.S.C. 610) is amended—

(1) in the first sentence, by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the Defense Board or the Civilian Board''; and

(2) in the second sentence, by striking out ''the agency board through the Attorney General; or upon application by the board of contract appeals of the Tennessee Valley Authority'' and inserting in lieu thereof ''the Defense Board or the Civilian Board''.

(h) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(1) in subsection (b), by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the Defense Board or the Civilian Board''; and

(2) in subsection (d)(2), by striking out ''by the board of contract appeals for'' and inserting in lieu thereof ''by the Defense Board or the Civilian Board from''.

SEC. 444. REFERENCES TO AGENCY BOARDS OF CONTRACT APPEALS.

(a) DEFENSE BOARD.—Any reference to the Armed Services Board of Contract Appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Department of Defense Board of Contract Appeals.

(b) CIVILIAN BOARD.—Any reference to an agency board of contract appeals other than the Armed Services Board of Contract Appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Civilian Board of Contract Appeals.

SEC. 445. CONFORMING AMENDMENTS.

(a) TITLE 5.—Section 5372a of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out ''an agency board of contract appeals appointed under section 8 of the Contract Disputes Act of 1978'' and inserting in lieu thereof ''the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals appointed under section 202 of the Office of Federal Procurement Policy Act''; and

(2) in subsection (a)(2), by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals''.

(b) TITLE 10.—(1) Section 2305(e) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking out ''subchapter V of chapter 35 of title 31'' and inserting in lieu thereof ''title II of the Office of Federal Procurement Policy Act''; and

(B) by striking out paragraph (3).

(2) Section 2305(f) of such title is amended—

(A) in paragraph (1), by striking out ''subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31'' and inserting in lieu thereof ''section 214(h)(2) of the Office of Federal Procurement Policy Act''; and

(B) in paragraph (2), by striking out ''paragraph (1) of section 3554(c) of title 31 within the limits referred to in paragraph (2)'' and inserting in lieu thereof ''subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)''.

(c) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—(1) Section 303B(j) (as redesignated by section 104(b)(2)) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(h)) is amended—

(A) in paragraph (1), by striking out ''subchapter V of chapter 35 of title 31, United States Code'' and inserting in lieu thereof ''title II of the Office of Federal Procurement Policy Act''; and

(B) by striking out paragraph (3).

(2) Section 303B(k) (as redesignated by section 104(b)(2)) of such Act (41 U.S.C. 253b(i)) is amended—

(A) in paragraph (1), by striking out ''in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31, United States Code'' and inserting in lieu thereof ''section 214(h)(2) of the Office of Federal Procurement Policy Act''; and

(B) in paragraph (2), by striking out ''paragraph (1) of section 3554(c) of such title within the limits referred to in paragraph (2)'' and inserting in lieu thereof ''subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)''.

(d) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended—

(1) by inserting the following before the item relating to section 1:

''TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY'';

and

(2) by adding at the end the following:

''TITLE II—DISPUTE RESOLUTION

''SUBTITLE A—GENERAL PROVISIONS

''Sec. 201. Definitions.
''Sec. 202. Membership.
''Sec. 203. Chairman.
''Sec. 204. Rulemaking authority.
''Sec. 205. Authorization of appropriations.

''SUBTITLE B—FUNCTIONS OF THE DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS

''Sec. 211. Alternative dispute resolution services.
''Sec. 212. Alternative dispute resolution of disputes and protests submitted to Boards.
''Sec. 213. Contract disputes.
''Sec. 214. Protests.
''Sec. 215. Applicability to certain contracts.''.

Subtitle F—Effective Date; Interim Appointment and Rules

SEC. 451. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1996.

SEC. 452. INTERIM APPOINTMENT.

(a) DEFENSE BOARD.—The judge serving as chairman of the Armed Services Board of Contract Appeals on the date of the enactment of this Act shall serve as Chairman of the Department of Defense Board of Contract Appeals during the two-year period beginning on the effective date of this title, unless such individual resigns such position or the position otherwise becomes vacant before the expiration of such period. The authority vested in the Secretary of Defense by section 203(a) of the Office of Federal Procurement Policy Act (as added by section 413) shall take effect upon the expiration of such two-year period or on the date such position is vacated, whichever occurs earlier.

(b) CIVILIAN BOARD.—The judge serving as chairman of the board of contract appeals of the General Services Administration on the date of the enactment of this Act shall serve as Chairman of the Civilian Board of Contract Appeals during the two-year period beginning on the effective date of this title, unless such individual resigns such position or the position otherwise becomes vacant before the expiration of such period. The authority vested in the Administrator of General Services by section 203(a) of the Office of Federal Procurement Policy Act (as added by section 413) shall take effect upon the expiration of such two-year period or on the date such position is vacated, whichever occurs earlier.

SEC. 453. INTERIM RULES.

(a) RULES OF PROCEDURE.—Until such date as rules of procedure are promulgated pursuant to section 204 of the Office of Federal Procurement Policy Act (as added by section 414)—

(1) for protests, the rules of procedure of the board of contract appeals of the General Services Administration, as in effect on the day before the effective date of this Act, shall be the rules of procedure for both the Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals; and

(2) for contract disputes—

(A) the rules of procedure of the board of contract appeals of the General Services Administration, as in effect on the day before the effective date of this Act, shall be the rules of procedure for the Civilian Board of Contract Appeals; and

(B) the rules of procedure of the Armed Services Board of Contract Appeals, as in effect on the day before the effective date of this Act, shall be the rules of procedure for the Department of Defense Board of Contract Appeals.

(b) RULES REGARDING BOARD JUDGES.—(1) Until such date as the Department of Defense Board of Contract Appeals (in this paragraph referred to as the ''Defense Board'') promulgates rules governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, the rules of the Armed Services Board of Contract Appeals governing the establishment and maintenance of a register of eligible applicants and the selection of board members (as in effect on the day before the effective date of this Act) shall be the rules of the Defense Board governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, except that any provisions of the rules of the Armed Services Board of Contract Appeals that authorize any individual other than the chairman of such board to select a Defense Board judge shall have no effect.

(2) Until such date as the Civilian Board of Contract Appeals (in this paragraph referred to as the ''Civilian Board'') promulgates rules governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, the rules of the board of contract appeals of the General Services Administration governing the establishment and maintenance of a register of eligible applicants and the selection of board members (as in effect on the day before the effective date of this Act) shall be the rules of the Civilian Board governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, except that any provisions of the rules of the board of contract appeals of the General Services Administration that authorize any individual other than the chairman of such board to select a Civilian Board judge shall have no effect.

The CHAIRMAN. Are there amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V—EFFECTIVE DATES AND IMPLEMENTATION

SEC. 501. EFFECTIVE DATE AND APPLICABILITY.

(a) EFFECTIVE DATE.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) APPLICABILITY OF AMENDMENTS.—(1) An amendment made by this title shall apply, in the manner prescribed in the final regulations promulgated pursuant to section 502 to implement such amendment, with respect to any solicitation that is issued, any unsolicited proposal that is received, and any contract entered into pursuant to such a solicitation or proposal, on or after the date described in paragraph (3).

(2) An amendment made by this title shall also apply, to the extent and in the manner prescribed in the final regulations promulgated pursuant to section 502 to implement such amendment, with respect to any matter related to—

(A) a contract that is in effect on the date described in paragraph (3);

(B) an offer under consideration on the date described in paragraph (3); or

(C) any other proceeding or action that is ongoing on the date described in paragraph (3).

(3) The date referred to in paragraphs (1) and (2) is the date specified in such final regulations. The date so specified shall be October 1, 1996, or any earlier date that is not within 30 days after the date on which such final regulations are published.

SEC. 502. IMPLEMENTING REGULATIONS.

(a) PROPOSED REVISIONS.—Proposed revisions to the Federal Acquisition Regulation and such other proposed regulations (or revisions to existing regulations) as may be necessary to implement this title shall be published in the Federal Register not later than 210 days after the date of the enactment of this Act.

(b) PUBLIC COMMENT.—The proposed regulations described in subsection (a) shall be made available for public comment for a period of not less than 60 days.

(c) FINAL REGULATIONS.—Final regulations shall be published in the Federal Register not later than 330 days after the date of enactment of this Act.

(d) MODIFICATIONS.—Final regulations promulgated pursuant to this section to implement an amendment made by this title may provide for modification of an existing contract without consideration upon the request of the contractor.

(e) SAVINGS PROVISIONS.—(1) Nothing in this title shall be construed to affect the validity of any action taken or any contract entered into before the date specified in the regulations pursuant to section 501(b)(3) except to the extent and in the manner prescribed in such regulations.

(2) Except as specifically provided in this title, nothing in this title shall be construed to require the renegotiation or modification of contracts in existence on the date of the enactment of this Act.

(3) Except as otherwise provided in this title, a law amended by this title shall continue to be applied according to the provisions thereof as such law was in effect on the day before the date of the enactment of this Act until—

(A) the date specified in final regulations implementing the amendment of that law (as promulgated pursuant to this section); or

(B) if no such date is specified in regulations, October 1, 1996.

The CHAIRMAN. Are there amendments to title V?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. Chairman. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DIAZ-BALART) having assumed the chair, Mr. WELLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, pursuant to House Resolution 219, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CLINGER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 423, noes 0, not voting 11, as follows:

[Roll No. 663]

AYES—423

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton

Thurman	Walker	Wicker
Tiahrt	Walsh	Williams
Torkildsen	Wamp	Wilson
Torres	Ward	Wise
Torricelli	Waters	Wolf
Towns	Watt (NC)	Woolsey
Traficant	Watts (OK)	Wyden
Upton	Waxman	Wynn
Vento	Weldon (FL)	Yates
Visclosky	Weldon (PA)	Young (AK)
Volkmer	Weller	Young (FL)
Vucanovich	White	Zeliff
Waldholtz	Whitfield	Zimmer

NOT VOTING—11

Frost	Reynolds	Solomon
Meek	Royce	Tucker
Mineta	Scarborough	Velazquez
Moakley	Sisisky	

□ 1534

So the bill was passed.

The result of the vote was announced as above recorded

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material on the bill just passed.

The SPEAKER pro tempore (Mr. DIAZ-BALART). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1670, FEDERAL ACQUISITION REFORM ACT OF 1995

Mr. CLINGER. Mr. Speaker, I ask unanimous consent in the engrossment of the bill, H.R. 1670, the Clerk be authorized to make technical corrections and conforming changes to the bill.

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

There was no objection.

ANNOUNCEMENT BY COMMITTEE ON RULES REGARDING FILING OF AMENDMENTS ON H.R. 927, CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY ACT OF 1995 AND H.R. 1720, THE CAREERS ACT

(Mr. DREIER asked and was given permission to address the House for 1 munute.)

Mr. DREIER. Mr. Speaker, next week the Rules Committee is expected to meet to grant rules for several bills scheduled for floor consideration. As has been the practice in recent times, the Rules Committee may include a provision in these rules giving priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD.

On Monday the Rules Committee will meet at 4 p.m. to consider rules on two bills—H.R. 927, the Cuban Liberty and Democratic Solidarity Act, and H.R. 1617, the CAREERS Act. A preprinting option will likely be included in both rules.

With respect to the Cuban Liberty bill (H.R. 927), Members should be advised that the rule will likely make in order a new amendment in the nature of a substitute, taking into account the concerns of committees of shared jurisdiction, as base text for amendment purposes. For the convenience of Members, the text of the amendment will be printed in today's CONGRESSIONAL RECORD.

With respect to the CAREERS Act, Members should be advised that the Rules Committee has been asked by the Economic and Educational Opportunities Committee to make in order as base text an amendment in the nature of a substitute consisting of the text H.R. 1617 combined with the text of H.R. 1720, the Privatization Act of 1995.

That amendment in the nature of a substitute will be placed in today's CONGRESSIONAL RECORD for Members' convenience. It will also be introduced as a new bill for reference in the rule as an amendment in the nature of a substitute for amendment purposes. It is especially important that Members' pre-print their amendments for this bill since it involves several formulas that are complex in nature.

Members are requested to use the Office of Legislative Counsel for drafting their amendments to the new base texts for both bills to ensure they are properly drafted. It is not necessary for Members to file their amendments with the Rules Committee or to testify.

On Tuesday, September 19, the Rules Committee is tentatively scheduled to meet to consider rules on two bills, H.R. 2274, to designate the National Highway System, and H.R. 1323, the Pipeline Safety Act of 1995.

While we have not received specific rule requests on these bills at this time, Members should expect at the least that the amendment preprinting option for priority in recognition may be included in these rules.

As always, the continued cooperation of Members in preprinting their amendments in the CONGRESSIONAL RECORD is appreciated both by the committees of jurisdiction and their colleagues.

LEGISLATIVE PROGRAM

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

Mr. BONIOR. Mr. Speaker, I ask the gentleman from California [Mr. DREIER], my friend, what the schedule will be for the next week.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I thank my very dear friend, the gentleman from Mount Clemens, MI [Mr. BONIOR], for yielding.

Mr. Speaker, on Monday, September 18, the House will meet at 10:30 a.m. for morning hour and 12 noon for legislative business. We plan to take up the following 11 bills under suspension of the rules: S. 464, extension of district court demonstration projects; S. 532, clarifying rules governing venue; House Resolution 181, encouraging the peace process in Sri Lanka; House Resolution 158, congratulating the people of Mongolia; House Concurrent Resolution 42, supporting dispute resolution in Cyprus; H.R. 1091, the Shenandoah Valley National Battlefields Partnership Act of 1995; H.R. 260, National Park System Reform Act of 1995; H.R. 402, the Alaska Native claims settlement amendments; H.R. 1872, The Ryan White Care Act Amendments of 1995; H.R. 558, The Texas Low-Level Radioactive Waste Disposal Compact Consent Act; and H.R. 1296, providing for the administration of certain Presidio properties.

After consideration of the suspensions, we plan to take up H.R. 39, the Fisheries Conservation and Management Act, subject to a unanimous-consent agreement.

Members should be advised that there will be no recorded votes on Monday; any votes will be postponed until Tuesday. Members should not expect any votes on Tuesday before 11 a.m.

On Tuesday, the House will meet at 9 a.m. for morning hour and 10 a.m. for legislative business. On Wednesday and Thursday the House will meet at 10 a.m. for legislative business. Members should be advised that there will be no votes on Friday, September 22.

The House will consider the following bills next week, all of which will be subject to rules: H.R. 1617, the Careers Act; H.R. 927, the Cuban Liberty and Democratic Solidarity Act of 1995; H.R. 2274, the National Highway System Designation Act of 1995; and H.R. 1323, the Pipeline Safety Act of 1995.

Members should be advised that conference reports may be brought up at any time.

On Monday and Tuesday, we expect the House to conclude its business between 7 and 8 p.m. On Wednesday, we plan on working later, but we hope to adjourn between 10 p.m. and 12 midnight. It is our hope to have Members on their way home to their families and their districts by no later than 6 p.m. on Thursday.

Mr. Speaker, does my friend, the gentleman from Michigan, have any questions?

Mr. BONIOR. I certainly do, Mr. Speaker, I thank the gentleman from California [Mr. DREIER] for reading the schedule to us this afternoon.

Mr. DREIER. My pleasure.

Mr. BONIOR. Mr. Speaker, it would appear from the gentleman's reading of the schedule that it seems like a light week next week. I note that we are not having any recorded votes on Monday or Friday next week, and I was wondering if the leadership on the other side would not entertain a resolution that has been sponsored by over 200 Members of this body that would require

that we have at least 4 weeks of debate and hearings on the Medicare issue since the Medicare issue is indeed the biggest, or if not the biggest, one of the biggest issues we will face not only in this session of Congress, but in the country, and I say to the gentleman to just let me finish, and then I would be happy to get an answer from my colleague here.

Mr. DREIER. If my colleague would yield, I would answer.

Mr. BONIOR. If the gentleman would withhold for a second, I will finish my point, and maybe it will become a little clearer to my friend from California so he can respond in a more full and understanding way.

Mr. Speaker, it seems to me that, if we are going to take this issue up next week after only 1 day of hearing, that when we are talking about the largest increases and cuts in Medicare and Medicaid in the history of this country, it seems to me that we are going to shortchange the American public, and I would ask the gentleman, with over 200 Members supporting this resolution, ask him for at least 4 weeks of debate.

Mr. DREIER. I ask my friend if that is the same question he asked about 90 second ago, or are there two questions?

Mr. BONIOR. This is the same. The gentleman can answer them both, but I have a feeling I know what the answer is.

Mr. DREIER. Mr. Speaker, I would say to my friend that we have gone through exhaustive hearings on the issue of Medicare, and to argue that this issue has not been debated either in Congress or in the public is obviously not the case.

I see the gentleman from Florida, my friend, here, the ranking member of the Committee on Ways and Means, and I understand that this particular piece of legislation will not have had the specific hearings on this bill, but for more than a day or so, but virtually every option, as we have looked at the proposal that came forward on April 3 from the trustees on the prospect of the entire Medicare system being bankrupt within 7 years, virtually every option has been addressed. We know the President has demonstrated a need to deal with this issue, and I believe that it is going to be timely for us to move forward, and so we will be proceeding just as rapidly as possible.

Mr. BONIOR. I am glad my friend, and I thank my friend, for his answer, although I am disappointed in it; I am glad that my friend from California acknowledges the fact that indeed there will be not more than a day or so, whatever or so means. I assume it is a day of hearings on this particular proposal that will be before this country, the biggest cuts in Medicare and Medicaid in the history of the country. But it seems to me that, if we could do a resolution next week congratulating the people of Mongolia, the least we could do is have a resolution on the floor to debate the appropriate amount of time for hearings on this most crucial issue to this country.

Mr. DREIER. If the gentleman would yield for just one clarification on this, the gentleman said that we are going to have the largest cuts when, in fact, we will over the next 7 years see an increase of from $4,800 to $6,700 per beneficiary, which is roughly about a 52-percent increase in the level of expenditures. We will be expending well over $1¼ trillion, or approaching $1¼ trillion, on Medicare over the next 6 to 7 years, and so to call it a cut is obviously an inaccurate statement.

Mr. BONIOR. That is what we would like to have the time to debate and discuss and have hearings about.

Mr. DREIER. We are doing it right now, have been doing it over the last several months.

Mr. BONIOR. We obviously are right now, and only in Republican Washington, DC, would someone characterize an individual having to pay perhaps $500 to $1,000 out of his or her pocket Medicare costs as an increase.

□ 1545

Only in Washington, DC, would that be termed as an increase.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, I appreciate the gentleman yielding.

Let me ask my distinguished friend from California a question about this. We have had 2 weeks of Waco hearings here sponsored by my Republican friends, 2 weeks of Waco hearings. We have had so many weeks of Whitewater hearings that everybody has completely lost interest in that nonsubject, and yet we are beginning to take up what I recognize is the toughest vote on the Republican side. How do you take as much money out of Medicare to give to a tax cut as is scheduled to be taken out of Medicare?

The majority has taken all of this money out of Medicare beneficiaries and poor people's pockets to give to the wealthy, and yet we are only entitled to perhaps 1 day of hearing. As of this moment we do not have your plan. The majority has been in charge of this body for 11 months, 10 months now, and we do not have a plan. We have never seen a plan. This is the only copy of your plan I have ever seen, this blank piece of paper that I hold here. Now, when are you going to let the American public in on what you are going to do to them? When are you going to let them see it?

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I thank the gentleman from Michigan for yielding. The gentleman from Florida [Mr. GIBBONS], if memory serves, in fact sat in with the Subcommittee on Health, not being a member of the Subcommittee on Health, wanting to make sure that any Member who was interested in being informed on the subject matter, sat in on several of the Subcommittee on Health hearings. We had 16 of them over every possible option that could be put into a Medicare package. We had two full Committee on Ways and Means hearings.

Mr. Speaker, we are in the process of compiling that information. The original criticism was that one cannot write a bill without hearing from all of the folks who are going to be affected. We thought that was good advice. So we held hearings to hear from all of the people who were affected. Now we are being criticized because we have been here for 10 months, holding hearings during the first 9 months, and we are now in the process of writing legislation, and we are being criticized because we did not write the legislation before we held the 16 hearings.

Now, you know, you are damned if you do and you are damned if you don't. I understand that is the role of the minority. We played that for a while. But we are in the majority; we have a part A payroll tax trust fund for the seniors that is going bankrupt, and we are putting together a program to make sure that does not go bankrupt, and we have a part B program which is eating up enormous resources from our young people. What we are going to do is create a system, long overdue, which gives seniors choice, and through the exercise of that choice, we will make sure that the part A program does not go bankrupt, and that the demands on the budget will be less.

Now, that is a complicated program. The gentleman from Florida knows all of the parts that would go into that program. His objection is that he has not seen all of the parts assembled. He will, and under the rules of the House, as the ranking minority member of the Committee on Ways and Means, will have the ability to fully exercise his rights to ask for hearings on his side of the House, and we will certainly honor, under the rules, the maximum ability of the ranking member from Florida to exercise his privileges and rights under the rules.

Mr. GIBBONS. Mr. Speaker, if the gentleman will continue to yield, as I understand the proposal, it is that perhaps one day next week we will have a full day hearing on the Medicare proposals. But as everyone who has ever dealt with the subject, and I am sure the gentleman from California is wrestling with the problem right now, the devil of all of this is in the details. These are huge matters that require a great deal of money and a great deal of substantive law, and they require understanding by all of the 40 million people who are on Medicare and their families; and of the hospitals and of the doctors and of other providers, of all of the medical educators, of all of the kidney failure people, of all of the hospitals that get special payments out of Medicare for all of the unpaid patients that they have to treat. These are extremely complicated problems, and

they need a thorough public understanding.

The way I understand it, though, is that we are going to get 1 day of public hearings which will probably be taken up by most of your witnesses and that will not get any chance. I doubt by that time that we will even have a copy of your plan. So that is the problem. We need and the public needs to know.

I can only imagine what is in your plan. I have attended your hearings. With no disrespect to the gentleman from California, the gentleman did the best he could, but we did not have a plan then, and as far as I know, he does not have a plan as of this moment. We have to start voting on this the week after next in the Committee on Ways and Means, and we have seen nothing in writing as to what he plans to do.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding, and I would hope that not only would we get this debate about the debate that we would choose to have, and unfortunately, if the Republicans do not grant us your resolution to have that debate or to provide for several weeks of discussion on these Medicare cuts, then we are left, as the gentleman has said, with 1 day in the Committee on Ways and Means.

We do not know what this plan is. We have seen speculation in the press about this, that there is $110 billion taken from providers and there is an $80 billion black hole that looks back and maybe hits providers or beneficiaries 2 or 3 years from now. But the fact is, as the gentleman from Florida knows, the Medicare system is more than just Medicare, it is teaching hospitals, it is poor widows that have the premium, Medicare premiums, paid for by Medicaid; it is a very complex system. And simply announcing the bill and having the hearing and voting on it a week later does not satisfy our obligation to the people that we represent, because the plan will look very different to different people depending upon where they are in the American health care system, whether they are in an urban hospital or a rural hospital, whether they are poor and their premiums are paid by Medicaid, whether they will be able to continue or not continue on Medicare, whether they are a teaching facility, and that takes time.

I can understand the Republicans not wanting to have this time, either in the Committee on Ways and Means or anywhere else. But the fact is, this is the biggest change we have in the history of American health care since the advent of the American Medicare system, a system that has provided health care to millions of seniors, that their families rely on. We are now seeing a whole series of discussions by medical analysts that families, people my age who are in their 50's, who are in their 40's, whose parents are in their 80's, now have the threat that these Medicaid cuts could mean that hundreds of thousands, if not more, people will not have access to long-term care, or to nursing home care.

Mr. DREIER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. DIAZ-BALART). Does the gentleman from Michigan yield for a parliamentary inquiry?

Mr. BONIOR. No, Mr. Speaker, not at this point.

Mr. MILLER of California. Mr. Speaker, I would like to speak to the gentleman's motion and his inquiry of the minority. Sixty-seven percent of the Medicaid costs to go pay for elderly people's long-term care that their families cannot afford. And that is why we want this discussion. But we want this discussion in front of the Committee on Ways and Means where people can be cross-examined, where their points of view can be examined, their figures can be examined and the American public can then make a determination. Having all of this discussion, have all of this discussion prior to the Committee on Ways and Means hearing has nothing to do with this bill.

We have examined the options for Medicare since 1948. But this is where the rubber hits the road. This may not cut Medicare, that is your claim, but it is going to certainly cut household income for people, and it is going to certainly cut their disposable income as their premiums continue to go up and the cost of their relatives continue to go up and the care of their parents continue to go up.

That is what this debate is about. The gentleman ought to have the courage of your convictions, he ought to put that bill into the Committee on Ways and Means. We have experts on the committee in terms of the Members of the Congress, the staff there, and we ought to cross-examine the different opinions about what this bill is going to do or not do to families in this country who are deeply concerned about their future health care and the health care that their parents and their grandparents are receiving today, because that is what is on the chopping block and we do not know anything about it. But one day's hearing just does not satisfy it.

We had hearings on the Committee on Ways and Means I believe earlier this year on every cockamamie tax loophole that some Member wanted for somebody in their district. Those went on for days. But now we are talking about the largest single change in American health care in the history of this country since the beginning of the Medicare-Medicaid system, and it is one day's worth of hearing.

What we are asking for and the gentleman is asking for is consider a resolution that says we can examine this in the Committee on Ways and Means for 4 weeks, let the people be heard, let the providers be heard, let the beneficiaries be heard, let the teaching hospitals be heard, let the rural hospitals be heard, and then let the American people decide. But apparently, apparently, there is a great fear on the other side of the aisle that the public discussion will not allow their proposal to be successful.

Mr. DREIER. Mr. Speaker, if the gentleman will continue to yield, let me just respond to my very good friend from Martinez who has raised some very, very good questions. The fact of the matter is, as the gentleman from California [Mr. THOMAS] indicated, 16 hearings were held in the Subcommittee on Health of the Committee on Ways and Means.

Mr. BONIOR. Mr. Speaker, reclaiming my time, but they were not on this specific proposal.

Mr. DREIER. Mr. Speaker, if the gentleman will continue to yield, they were on the issue of Medicare reform. Those have come forward. This has been debated in the media, here in the Congress, and I hasten to add that to hear my friends on the other side of the aisle argue that in some way we are going to be not utilizing the proper procedures of the House as we proceed with this really makes one incredulous, in light of the fact that we have seen legislation rammed through here when my friends on the other side of the aisle were in the majority for years and years and years, and we are planning to comply with the rules of the House, and we will continue this debate.

The evidence that we have right here is that during this 1-minute, which has lasted about 20 so far, we have seen a vigorous debate take place, and I suspect that it is going to continue. It will most likely continue this weekend on the television, and I believe that we will see a full airing, and those groups to which my friend referred have been heard from by many of the different committees that have been involved in this.

Mr. BONIOR. But they have not been heard on this specific bill.

Mr. DREIER. That relates to the program itself that we are going to be considering next week.

Mr. BONIOR. Mr. Speaker, reclaiming my time, the people in this country have not been heard on your specific proposal and the resolution which I refer to in the debate that we are having now, the one offered by the gentleman from Michigan [Mr. DINGELL] and supported by over 200 Members of this body calls for hearings of 4 weeks on that specific proposal.

As the gentleman from California [Mr. MILLER] has said, with the largest change in American medical history, the largest, in our view, of cuts in Medicaid and Medicare in the history of this country, it seems to me preposterous to deal with this with 1 day of hearings. It is an outrage, quite frankly, and all we are asking for is a small piece of fairness on behalf of the American people, for all these various groups and individuals who have a huge stake in this.

I mean, I am talking 175,000 people in my State alone not being able to have long-term Medicaid care over the 7-year period if this goes through, 16,000 in the first year.

□ 1600

We are talking perhaps, what we hear, of doubling the premium. And we are talking about people here on Social Security, people who get half of their income, 60 percent of the people on Medicare get over half of their income from Social Security. We are talking primarily about women. We are talking about people with incomes of about $18,000, and absorbing $1,000 extra a year. This is important stuff to important people, and it ought to have more than 1 day of hearings.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, I am just incredulously mystified by the arguments I hear here. As the gentleman from California [Mr. THOMAS] said, I attended these meetings, even though I am not a member of the subcommittee. They were pabulum hearings. They had nothing to do with the meat of the program. They were just people making suggestions or complaining.

But nobody yet has seen a plan. And when that plan comes out, it is going to be not just 1 page of paper, but it is going to be 400 or 500 pages of paper, crammed with details.

This is a very complex program. It is more than just medical care for the aged. It is medical care for all of the disabled in the United States, it is medical care for all of the kidney failure patients in the United States, it is all long-term care for aged people or for disabled people. It is medical education. I do not know what can be more important than training doctors, and the Medicare Program trains them. There that is where the money comes from.

What about all of the hospitals that take care of all of these indigent people that do not have any money? That is where Medicare money is spent. We know nothing of what they plan to do in all of this program. They have never mentioned the first line of it.

I ran into a newspaper reporter out here in the Speaker's lobby the other day that was carrying around a copy of your program. I said, ''You know, that is what I put out as to what I thought was going to be in the program.'' He was peddling it to me as if it were the program.

This is ridiculous. I never heard of anybody making as big a change in the economic and social and safety net of this country, and not telling the American people what they plan to do. This is preposterous.

The SPEAKER pro tempore (Mr. DIAZ-BALART). The gentleman from Michigan [Mr. BONIOR] will be advised that his 1-minute is expiring soon.

Mr. BONIOR. Mr. Speaker, I believe my request was to speak out of order.

Mr. DREIER. To inquire of the program for the week.

The SPEAKER pro tempore. That is correct. The Chair would construe and did construe the gentleman's request as the traditional request to speak out of order for 1 minute.

Mr. BONIOR. Mr. Speaker, I do not think I asked for a time.

The SPEAKER pro tempore. To discuss the program for next week.

Mr. BONIOR. I will respect the Chair's views on this and the Speaker's views on this, and would yield if I could for just one more comment to my friend from Michigan, Mr. LEVIN, and to my friend from California, Mr. DREIER, if that would be permissible.

The SPEAKER pro tempore. Having informed the gentleman from Michigan of the reality of the time soon expiring, the Chair would certainly permit that.

Mr. BONIOR. Mr. Speaker, I yield for a short comment or question to my friend from California before we terminate the debate.

Mr. LEVIN. Mr. Speaker, I just want to say in terms of the schedule for next week, I have now read this document, an outline released by the House leadership. I would say to the gentleman from Florida [Mr. GIBBONS], it is worse than a blank piece of paper. It says little, and what it says is often untrue.

For example, it says that there is no change in copayments that is strictly false. Copayments under current law would go up to $61. This plan, apparently, at least from what we have read in the paper, would push this up to $90 or $100 a month over the present $46 in the year 2002.

I simply want to say as to the schedule next week, it is disgraceful. In the Committee on Ways and Means, they have planned one day of hearings, as the gentleman from Florida [Mr. GIBBONS] has said.

We were promised a plan today. We do not have it. I think it is partly you do not want us to have it until the last minute, and it is also because not only is the devil in the details, but they are having a devilish time with the details.

So I am glad the gentleman from Michigan [Mr. BONIOR] asked for the schedule for next week. I just want to say this is a schedule totally inadequate for the mammoth radical changes that have been proposed in general by the majority, the details of which are being held back or scrambled with or both. Here it is Thursday, and we still do not have them.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Pasadena.

Mr. DREIER. Close.

Mr. BONIOR. Close by.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding.

Mr. Speaker, I would simply like to respond to all three of my friends here who are discussing what is clearly a very important issue by saying, first, it has been concluded we will have only one day of hearings. It is possible that there could be an additional hearing. The distinguished ranking minority Member, my friend, the gentleman from Florida [Mr. GIBBONS], is in a position to look towards an additional hearing on this.

I think it is also very sad to take an issue which is so critically important, which we have agreed to step up to the plate and address in response to the Board of Trustees' Report that was signed by Secretary Rubin, Secretary Reich, and the Secretary of Health and Human Services, Ms. Shalala, stating this system will be broke within seven years.

The American people overwhelmingly are supportive of our goal of dealing with this. As I said earlier, the President of the United States has acknowledged that we are going to have to slow this exponential growth in the cost of Medicare, well beyond the rate of inflation, nearly three times the rate of inflation, based on the figures that just came out yesterday.

So it strikes me we are doing the responsible thing. And to have my friends just criticizing willy-nilly, when there is going to be opportunity to look at this issue, and to say that somehow when this hearing opens, it will be the first time that the word ''Medicare'' will have been uttered in any committee, is preposterous, because we for months and months and months have seen this debate raging on. I think we have a very good and adequate schedule put together for next week.

Mr. BONIOR. Mr. Speaker, I would conclude by just saying to my friend on the Medicare Trustee issue, that the Medicare trustees have said that the proposal by the Republicans will not extend the life of Medicare by one day, because that money is going into a special fund for tax cuts that are going primarily to the wealthiest individuals and the wealthiest corporations in America.

ADJOURNMENT TO MONDAY, SEPTEMBER 18, 1995

Mr. ALLARD. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Monday next for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ALLARD. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

THE AMBASSADOR FROM BELIZE

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

Mr. BONIOR. Mr. Speaker, I rise today to tell a story worthy of a Hollywood script.

In fact, if it was made into a movie, it would probably be called ''the Strange Case of the Billionaire, the Loophole, the Ambassadorship, and a Country Called Belize.''

For our purposes today, I just call it a window on the soul of the Gingrich revolution.

Mr. Speaker, our story begins in the small Nation of Belize.

You may have heard of Belize before.

It's a small Central-American nation known for its great vacations, its near-pristine tropical forests, and its great skindiving.

But recently, it made news for a different reason.

Last week, the Nation of Belize inquired about setting up a new diplomatic post in one of the most important cities in America.

Was it Washington, DC? New York City?

Nope. Belize wants to set up its diplomatic post in Sarasota, FL.

Now why, you may wonder, would they want to do that? It's not because Sarasota has an overly large concentration of Belizeans.

Well, it seems they would like to have a new ambassador to the United States.

A new ambassador by the name of Kenneth Dart.

Now, Mr. Speaker, you may have heard of Kenneth Dart before.

He's an American. At least he was an American.

Up until a year ago, he was a billionaire investor and styrofoam-cup maker living in America.

But last year, he renounced his American citizenship and moved to Belize.

Why did he do that?

Well, because under a provision in the U.S. Tax Code, by renouncing his citizenship, Mr. Dart could avoid paying his U.S. income taxes.

Tens of millions of dollars in U.S. income taxes.

So in exchange for becoming a billionaire Benedict Arnold, Mr. Dart got to keep millions of dollars.

Problem is, while taking his trip abroad, he's taking American taxpayers for a ride.

During the tax debate this year, Democrats offered a bill to close this loophole and force billionaires like Kenneth Dart to pay their fair share.

But when it came time for a vote, every Republican but six voted against it.

Instead, they voted to cut school lunches, student loans, and Medicare.

But now Mr. Dart has a new problem.

Under U.S. law, he can only come back to America once every 30 days.

Problem is, his family still lives in America.

And I'll bet you'll never guess where his family lives.

That's right—Sarasota, FL.

So, as a new Ambassador to the United States, Mr. Dart will indeed be visiting the white house—the white house he and his family own in Sarasota, FL.

The kicker to all this, Mr. Speaker is simply this: Under the Republican tax plan, Mr. Dart's family in Florida is still eligible to receive huge tax breaks.

Huge tax breaks that are being paid for by Republican cuts to Medicare.

So next time you hear people talking about the Gingrich revolution, stop and think for a minute about the ''Case of the Billionaire, the Loophole, the Ambassadorship, and a Country called Belize.''

Because that's the real Gingrich revolution.

POTENTIAL GOVERNMENT SHUTDOWN

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

Mr. ALLARD. Mr. Speaker, this afternoon I would like to address the issue of a potential Government shutdown on October 1 and the appropriate funding level for any continuing resolution.

The American people sent a clear message in November that they would no longer allow the Federal Government to amass increasing amounts of debt at the expense of their children and their grandchildren. They voiced their frustration at the increasing size and scope of the Federal Government. And they expressed a great deal of impatience and frustration with what they saw as broken promises and a failure to change business as usual in Washington, DC.

It is my firm belief that the Republican party will stand or fall on our ability to deliver on our promises. The American people will reward us if we stand firm and deliver a balanced budget to them by 2002, and they will punish us if we fail.

I am proud of the progress that we have made thus far to achieve a balanced budget. The budget plan that we approved in June will put us on a glidepath to the first balanced budget since 1969. The appropriations bills that the House has passed are in compliance with the budget resolution and are strong bills which will help to make the Government more efficient and less intrusive.

But in spite of the impressive steps that we have taken to get our fiscal house in order, much more remains to be done. Although the House has passed all but one appropriations bill, we have only passed one conference report. Much more disturbing is the veto threat which hangs over most of the funding bills.

Everyone has begun to realize that a continuing resolution will be necessary to keep parts of the Government from shutting down on October 1. It is unlikely that we will complete action on all of the appropriations bills by the end of the fiscal year.

What funding levels could be contained in a continuing resolution? There are several alternatives. Traditionally, a continuing resolution assumes the lowest of the current year's level, the new House-approved level, or the new Senate-approved level. This has been known as the Michel rule. But Congress can specify any funding level and any mix.

My fear is that unless we clarify the rules governing a continuing resolution, funding at 1995 levels will become the most attractive and least painful option for those who wish to preserve the status quo and block budget cuts.

History has shown instances in which segments of the Government were funded by continuing resolutions for a significant part of the year because of fundamental disagreements between Congress and the White House. Indeed, each year of the Reagan administration, at least one segment of the Federal Government was funded by a continuing resolution for the whole fiscal year.

We must make a continuing resolution an unpleasant alternative that will act as a catalyst for achieving our budgetary goals. Under no circumstances must a continuing resolution present proponents of the status quo with an easy way out.

In August, I introduced H.R. 2197, the Allard continuing resolution reform act. The Allard rule specifically amends the Rules of the House to require that if an appropriation has not been enacted by October 1, then a continuing resolution would fund the Government at the lower of the House-recommended level and the Senate-recommended level, and in no case could funding exceed 95 percent of the prior year's level. This would mandate a minimum of 5 percent real cuts in any continuing resolution.

The Allard rule is tough legislation. But it is the only reasonable solution. It will force opponents of change to the bargaining table. And it will force them to the table on our terms.

If we fail to adopt continuing resolutions which meet the stringent Allard rule criteria, we risk losing the budget battle to those who favor continuing the status quo. And we risk betraying the American people who sent us to Washington to restore responsibility to the Federal Government.

We must not pass on this opportunity to ensure fundamental change. I ask all

of my colleagues to support fiscal responsibility. I ask all of my colleagues to support the Allard rule.

□ 1615

MEDICARE

The SPEAKER pro tempore (Mr. DIAZ-BALART). Under a previous order of the House, the gentleman from Florida [Mr. GIBBONS] is recognized for 5 minutes.

Mr. GIBBONS. Mr. Speaker, for those who are watching C–SPAN, they have been already treated to a part of the debate on Medicare and Medicaid. Why do we continue to harp on this subject?

I want to first of all say that I have been on the Medicare program for 10 years. I have paid my payments and paid my dues in that program, and my wife has been on the program for about that time, too. But even more importantly, I was here in the Congress when we created Medicare.

For the last 27 years, I have been on the Medicare committee, the Committee on Ways and Means. During all that time, I have taken a deep interest in the program and have helped nurture it. So I know what I am talking about.

The Republicans, though, have seized upon some reason for giving a great tax cut to their wealthy friends, and the only place they can get the money is out of the Medicare and Medicaid program.

Now, the Republicans are going to take, within a matter of 2 weeks, from Medicare and Medicaid recipients a total of $489 billion out of those two programs. Let me repeat that: $489 billion, almost a trillion dollars, half a trillion dollars out of those programs.

And most of that will end up in the pockets of their wealthy friends.

The Medicare and Medicaid programs are powerfully complex, in benefits as well as in structure. The Medicare program is not broke. That is the first thing that we must understand. The Medicare program was set up as a pay-as-you-go program when I was in Congress here. And it has been that way ever since.

We always thought if we could keep a year ahead of the bills, then the program would be lucky. Now we are 7 years ahead of the bills in the program, and the Republicans are wringing their hands, so that they can get enough money out of that program, those programs to pay for their tax cuts for their wealthy friends.

The Medicare program covers not only benefits for elderly people, medical care benefits, but it covers all of the disabled in the United States. It covers all of the medical education in the United States. It covers all of the kidney dialysis for the kidney failure patients in the United States, regardless of age. It covers all of the help for rural hospitals and urban hospitals that must take care of a great many very poor people. So it is a very complex and a very extensive program.

Most of the nursing home care in the United States is paid for out of the Medicaid program, a part of that $479 billion of cuts. Those people are going to be dumped either back on their families or back on the community because they are there, and they will be there; perhaps no hope for ever curing them. And that is the size and the tragedy of the whole thing we are talking about.

The Medicare program has been changed over the years in order that we could pay the bills from year to year. We will continue to do that regardless of the outcome of this Republican proposal to take so much money out of the program to give for a tax cut for their wealthy friends.

What we are really complaining about is that no one has seen their plan. I have held up for a lot of people a copy of their plan. As we all can plainly see, it is just a blank piece of paper.

On the day we start to debate this plan in the Congress, I will bring in the plan and let us see it from this same podium. It will be 500, 600, 700, maybe 1,000 pages long. And who will understand what is in that plan we have been promised for months? We have seen nothing. We have been promised a plan as of this afternoon, and we got nothing. We have been promised that we would start voting on that next Monday, but now they have moved it until Wednesday a week.

I hope we see the plan before Wednesday a week, because the American public needs to understand what the plan is and how it works and what it will cost them in further out-of-pocket expenditures or cuts in benefits or both.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members that remarks in debate must be addressed to the Chair and should not be directed to a viewing audience.

MEDICARE CHANGES

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

Mr. WISE. Mr. Speaker, while I am going to speak on corridor H and its importance to West Virginia, I just want to touch for a second on Medicare because today the Speaker of the House and the majority leader of the Senate unveiled what the Medicare plan was, and what we see is a stealth health bill.

They did not give us the details. We do not know much more than what we have known before. We know that they want to cut $270 billion over the next 7 years. That has been out there for a long time. We know there are a variety of ways they want to do it, except they do not spell the details out. We do know this. While the Speaker says that it will cost only $7 a month more in premiums to seniors, it is actually going to be, according to the White House, according to other credible officials, $20 or $30 a month more.

We also know this, Mr. Speaker. We know that $270 billion is 2½ times what it necessary by the estimate of the trustees of the Medicare plan to make it solvent.

Mr. Speaker, stealth health is not a good idea, particularly when rewriting 30 years of Medicare in a 2-week period. Americans must demand to see the plan.

CORRIDOR H

Mr. Speaker, I want to turn to corridor H, because this week in our State there are going to be those gathering to discuss the environmental aspects of corridor H and, yes, to attack it. I regret that. Because I do not think that there has been one highway that is more important to West Virginia. I do not think there has been one highway that has been more discussed, reviewed, analyzed than corridor H has been.

In a previous speech on this floor, I discussed why corridor H is a national highway. Let me now discuss the environmental aspects. All those in West Virginia, and many of those from outside West Virginia who have recently driven between Elkins and Buckhannon have marveled at that four-lane strip. They remember how long that drive was before, not only in time and distance but also in just being arduous. They also say, what an incredible piece of road.

Mr. Speaker, that is what we are talking about doing now, from Elkins to the Virginia State line, if people would just let us, if people would get off our backs and let us move this road forward.

Yes, I was involved in the Elkins to Buckhannon segment, particularly when it looked like environmental concerns might either delay it several years or possibly threaten it altogether. And working with a number of agencies, we were able to pull them together. We were able to get the wetlands question dealt with. We were able to deal with the acid-mine drainage. We were able to deal with stream crossings. We were able to safeguard habitat.

I am happy to say that we were able to mitigate wetlands in an innovative way. If we can do it in that rough section of corridor H, surely we can do it for the rest of corridor H as well.

I think it is important to note that the original plan for corridor H was to be a southern route through our State. This was back in the 1970's. The highway department and others recognized that we could not do that under present-day standards. So back in the 1980's, we went forward to look at other options and adopted a northern route for corridor H. I might point out that some environmental organizers at the time said: If you just go the northern route, that is fine with us; we just think it ought not to be in the southern route. Well, they got their wish. Now, yet some want to contest this.

This project has been to EPA. It has been to Fish and Wildlife. I cannot name the alphabet soup of Federal agencies this project has been to. And so I would just say, the importance of corridor H, let me talk about stream crossings, for instance.

□ 1630

To avoid contaminating streams with piers supporting the highway, the State has agreed to place beams outside the streams that span the waterway. The State will develop an erosion-control process and methods to seal off acid-bearing strata. The State is going to take unprecedented action to purchase extra land and right-of-way to accommodate the environmental concerns. The State will reclaim the slopes with indigenous plant life, not just grass.

The State also, in terms of excess earth-work disposal, the State is not going to leave this up to the contractors, but in the case of corridor H will decide a detailed cleanup and disposal in the contract for each specific site.

There are going to be those gathering this weekend in West Virginia to attack corridor H again. Incidentally, I find it interesting that much of the attack on corridor H comes from outside of the State, not inside the State. I invite them to visit very many of our counties, where I am confident that 65 to 75 percent of our population strongly supports corridor H. As they gather in West Virginia, and we welcome them, of course, I urge them to drive the Elkins to Buckhannon segment to see what can be done. If they want to go further, they can go from Buckhannon to Weston, and understand the true economic significance of corridor H as well. Drive the Buckhannon to Elkins segment and see what has been accomplished, see what we have been able, working together, to achieve; experience what corridor H is bringing to central West Virginia. That is the environment that we all love. That is the environment we all want to safeguard. Corridor H can continue that process.

The SPEAKER pro tempore (Mr. DIAZ-BALART). Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 5 minutes.

[Mr. FRANK of Massachusetts addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. WARD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

THE GUAM COMMONWEALTH ACT

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

Mr. UNDERWOOD. Mr. Speaker, This afternoon I want to address the current situation regarding our effort to advance the cause of a new political status for Guam as envisioned in the Guam Commonwealth Act, H.R. 1056. I introduced H.R. 1056 on February 24, 1995, as my first bill of the 104th Congress.

The Guam Commission on Self-Determination, a bipartisan commission of Government of Guam officials and citizen participants, is currently in discussions with the Clinton administration to resolve specific areas of disagreement on the specifics of the draft Guam Commonwealth Act. These discussions have been on hold for some time because of the resignation of the administration's Special Representative for Guam Commonwealth, Mr. I. Michael Heyman, earlier this year. After several months spent searching for a replacement for Mr. Heyman, the administration has appointed a very capable individual to complete the task at hand, Mr. Stanley Roth, an Assistant to the President and the Senior Director of Asian Affairs in the National Security Council. We are pleased with the selection of Mr. Roth, and we believe that he has the necessary understanding of Guam's issues and the skill to build on the progress that has been achieved by Mr. Heyman in the past year.

The Guam Commonwealth Act, H.R. 1056, would redefine the way the Federal Government relates to Guam, and would give Guam the tools we need to succeed in the next century. Guam has a robust economy fueled by its visitor industry. This year Guam expects to attract over 1.3 million visitors. Guam is relatively self-sufficient, and Guam is not seeking a new Commonwealth to get new Federal money—instead, Guam is a success story of the insular territories, and Guam's drive for a new status is motivated by a partnership that is good for America and good for Guam.

As America's westernmost soil, 10,000 miles and 15 time zones away, Guam is America's front door to Asian trade. Guam is often thought of as being strategically important to the United States in military terms. But Guam is also strategically important in projecting American influence and American democracy in our part of the world.

The new majority in Congress has undertaken to reshape the Federal relationship with the States, and has given national attention to this issue. However, there has not been very much thought given to how the new federalism would affect the insular territories. It is not an automatic assumption to say that power that is divested from the Federal Government would be given to the territories in the same way that it is given to the States. We have already seen examples in legislation affecting the territories where the empowerment of the States has not translated into an empowerment of the territories. I would point out, just as many conservative leaders have pointed out, that the 10th amendment restricts the power of the Federal Government, and reserves those powers not granted to the Federal Government to the States and the people. It may surprise some to learn that the 10th amendment does not apply to the territories. While we are not States, we are still people. But, all constitutional protections afforded to any American in any State are also afforded to the Americans in the territories.

Guam's Commonwealth Act challenges this Congress to look at the Federal relationship in this era, and offers a new relationship within our constitutional framework. We have proposed a framework that gives Guam stake in the Federal system. We have proposed a framework that is based on the American concept that power drives from the consent of the governed. And we have proposed a framework that unleashes the economic potential of Guam within the American system.

I hope that this Congress would deal with these issues in a serious and forthright manner, and that we can begin the process of shaping the new Commonwealth for Guam early in the next session. I look forward to the weeks and months ahead and to our work with Mr. Roth and the Guam Commission on Self-Determination. The Chairman of the Guam Commission, Governor Gutierrez, has signaled his eagerness to get on with the business of completing the Commonwealth discussions and bringing this issue to closure. Working together with Guam and the Federal Government, I have every confidence that the aspirations of the people of Guam for a new Commonwealth can be fulfilled.

I urge my colleagues to support H.R. 1056, the Guam Commonwealth Act, and I challenge this Congress to find a role for the Americans in the territories as they redefine a new federalism.

LEGISLATION RESTRICTING FIRST AMENDMENT RIGHTS FOR ALL AMERICANS

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

Mr. SKAGGS. Mr. Speaker, on August 4 the majority party passed a provision in the Labor-HHS appropriations bill sponsored by the gentleman from

Oklahoma [Mr. ISTOOK] that was designed, if you can believe this, to restrict the first amendment rights of everyone in America if they receive anything of value from the Federal Government, restrict their employees and those with whom they do business.

The Istook language, however, exempts those who contract with the Federal Government, as opposed to receiving a benefit or thing of value. I watched, therefore, with great interest during the consideration of the defense appropriations bill just a week ago today when there was a discussion between the gentlewoman from Colorado [Mrs. SCHROEDER] and the chairman of the Committee on Appropriations, the gentleman from Louisiana [Mr. LIVINGSTON] about whether the political speech and activities of defense contractors should also be limited.

As the Speaker will remember, the gentlewoman from Colorado [Mrs. SCHROEDER] offered an amendment that was a watered down version of the political activities restriction the gentleman from Oklahoma [Mr. ISTOOK] and the majority party had endorsed in August in the appropriations bill. The Schroeder amendment would have disqualified for Federal defense contracts any business that spent more than a small amount of its budget on State, local, and Federal political activity of almost any kind.

As with the Istook language, I believed the Schroeder amendment was a bad idea and I voted against it; but I describe it as a watered down version of the Istook political speech restriction amendment, because the Schroeder amendment would not have required contractors to report their political activities to the Federal Government, whereas the Istook amendment, which applies to all other groups receiving anything from the Federal Government, does require political activities reports to be sent in to the Federal Government.

I say it was a watered down version, because the Schroeder amendment would not have subjected contractors to harassing lawsuits from any citizens, whereas the Istook amendment does that, subjects all other groups to this sort of litigation. But, Mr. Speaker, even in this watered down state, most Republican Members of this body voted against any restriction on how much defense contractors can lobby the government. Those voting no included most of the leadership of the majority, folks who had previously voted, unabashedly, to restrict the ability of churches, nonprofits, individuals, and even many businesses, to speak to the public or to their elected officials at the State, Federal, or local level about important policy issues.

The majority needs to explain to the American people why they feel it is OK to muzzle ordinary citizens and organizations, but at the same time let defense contractors who take billions of dollars in Federal contracts do so without any of the same restrictions.

The inconsistency here, and that is a polite way of putting it, the inconsistency in the majority leadership and most of its members' position is made very clear by the comments of the chairman of the Committee on Appropriations who, after having voted for the Istook language, characterized the amendment of the gentlewoman from Colorado [Mrs. SCHROEDER] last week as follows:

> * * * a denial of the privilege of the First Amendment, which is the right of speech under the Constitution of the United States, to exercise their opportunity to speak to their government, to the representatives of their choice.

Mr. Speaker, why are the first amendment rights of defense contractors to lobby the Government for more contracts and funds more protected under the Constitution than the YMCA's or the Catholic churches or the American Red Cross' first amendment rights to advise us on issues affecting kids or older Americans or the safety of the Nation's blood supply? Is it different because the YMCA receives funds to provide after school day care, instead of funds to build missiles and planes? What kind of Constitution does the majority think that we have?

Mr. Speaker, when the Istook political speech restriction amendment comes before us again for another vote, and I expect it will, please remember those words of the chairman of the Committee on Appropriations, his eloquent defense of the first amendment rights of defense contractors, and for the sake of fairness, let us support the same fundamental rights for the YMCA, the Catholic Church, and the rest of this Nation.

THE MEDICARE PRESERVATION ACT OF 1995

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, today the American public was expected to receive the details of the Republicans' plan to slash Medicare, but the Republicans seems to be delaying further, and really, we do not know when the specific plans are going to be released. I have to say, Mr. Speaker, that I was outraged to find out how few details we were actually given in the document that was presented today by the Republican leadership. I have a copy of it here, the Medicare Preservation Act of 1995.

We do know that we are talking about cutting $270 billion out of Medicare, and we know that that is going to have a devastating impact on senior citizens, because it is the largest Medicare cut in the history of this country, but to this day and at this hour, with only, I think, about a week left before there is supposed to be a 1-day hearing before the Committee on Ways and Means on the Medicare changes, we still do not have the details of the plan.

I think it is really unfortunate, because the seniors that I know that are in my district are demanding to know how this cut is going to affect them. They are not buying into this Republican smokescreen about reforming Medicare. The fact of the matter is that Medicare is not broke, it has worked very well for the last 30 years in providing health care and good quality health care for most senior citizens, and all that we really have is a Republican plan to essentially take $270 billion out of the Medicare program to finance largely a tax cut for the wealthier Americans.

I do not think it is fair. I do not think it is fair that the senior citizens of this country should have to take such a large brunt, if you will, of the effort to provide a tax cut, or of the effort to provide deficit reduction.

One of the bases that the Republicans are using for saying that this large cut is necessary is that they claim that within 7 years Medicare will be insolvent. They base that on a trustees' report that came out this year, and we get trustees' reports from Medicare on an annual basis.

What they fail to point out is that historically there has not been as much as 7 years outlays, if you will, for Medicare funding. Oftentimes it has only been 1 or 2 years before Medicare is insolvent. The reason for that is because this Congress traditionally did not want to leave a lot of money available for Medicare in future years because of the fear that it would be raided by provides, and that hospitals or doctors or other health care providers would say to themselves ''Gee, there is this large pot of money out there, so we had just better charge more for our services.''

There is no reason in the world to think that because for 7 years we have enough money to pay for Medicare services and for health care for seniors, that somehow that means that the system needs to be radically changed. It does not. They are only proposing this cut, this huge cut, in Medicare because they want to use it to pay for a tax cut, again, mostly for well-to-do Americans.

This plan that was released today by the Republican leadership, and it is not a plan, it unfortunately does not provide much information at all; it does not tell us how this $270 billion is going to be implemented, this cut, cut it does have some pretty scary things in it which I would like to relate, if I could, during my time here this evening.

First of all, with regard to the part B premium, which is the part of the Medicare Program that pays for doctors' bills, essentially, the one that seniors now basically voluntarily contribute to out of their pocket, but of course most seniors use it in order to finance their payments for doctors, for their physicians, the part B premium essentially

under this proposed plan would increase to about $93 per person by the end of the 7 years in 2002.

□ 1645

Earlier this week I think it was, I think it was on Sunday, the Speaker said that seniors would have to pay $7 more per month for the part B premium, which translates into $84 more per year for part B for their doctor's services. He said that as if that was a glorious thing, that they were only going to have to pay this extra $7 a month or $84 a year.

I would like to mention first of all that many seniors are struggling with what they currently pay for their part B premium and really cannot afford to spend another $7 a month. They are on fixed incomes, they do not have anywhere else to go.

I talk to people on a regular basis when I am back in my district who say, ''Gee, I've budgeted for the month and I've only budgeted with some play of $5,'' so if you talk about a $7 increase, that is a lot. However, after making that statement on Sunday about the $7 increase, the Speaker came back on Tuesday and said that it was going to be about $32 per month, or $384 per year, in effect doubling the seniors Medicare part B premiums. Well, if we are talking about $32 more per month, and I think it is probably going to be even more than that when we finally get the figures, we are essentially talking about doubling the amount that seniors have to pay out of pocket just for part B, just for their doctor's services.

Some people may say again, ''Well, gee, that doesn't seem like a lot of money,'' but if you are a senior citizen, many of whom make $8,000, $9,000 a year, the majority of whom probably could not afford that $32 a month, and keep in mind that this doubling of their premium is only happening in order to finance a tax cut, because if we look at the amount of money, the $270 billion that is being taken out of Medicare, you could just put that right next to the $245 billion in tax cuts that are being proposed and see how they almost translate directly.

The other thing that was mentioned again in this very skimpy outline which does not really tell us how they are going to achieve this $270 billion in savings is what I call means testing—basically an income-related proposal whereby if you are above a certain income, either for a single person or for a married couple, that you would increasingly, depending upon your income, have to pay more for your part B premium to the point where at a certain income level, you would pay for the whole thing, essentially phasing out part B for some individuals.

I think although some may say, ''Well, what's the difference if some people who are in the higher income categories have to pay for the whole cost of their Medicare premium? Why should I worry about that? I don't care. They've got a lot of money. What is it to me?''

I maintain that that is totally wrong. A contract was made 30 years ago when Medicare was passed in this Congress and signed by the President which said that if over the years while you were working you paid into Medicare, that when you retired, when you got to be the age of 65, that Medicare was going to be available for you. To suggest that people at a certain income level should have to pay almost 100 percent of the cost of their premium I think is basically breaking the contract that was made when Medicare was passed 30 years ago.

I would also point out that we already have means testing when you pay into Medicare. In other words, you have been paying into Medicare over the years based on your income. So if your income is higher, you have been paying more. All of a sudden now we are going to have another means test when you try to take advantage—and you are over 65—of the Medicare Program.

It is also wrong because we are going down the slippery slope here now. We start means testing Medicare and maybe under the Republican proposal I think it is $75,000 a year where you start having to pay extra and ultimately it gets phased out completely and you have to pay the whole cost. Well, today it is $75,000, that is budget driven. But in this Congress—and I have seen it happen before—tomorrow, next year, it will be $50,000, year after that, it will be $40,000, $35,000, eventually for budget reasons you will see that that amount will be reduced and reduced and reduced and more and more senior citizens will end up having to pay more and more money to pay for their Medicare and to pay for their health care program.

The other thing that is in this document which is also very interesting, my biggest concern really, other than the additional cost that seniors are going to have to pay under this Republican plan when we finally get it, is that a lot of senior citizens are going to be forced into HMO's or managed care.

Right now if a senior citizen has a doctor or goes to a certain hospital because it is in the vicinity of where they live, Medicare guarantees that that hospital or that physician will be reimbursed. It is called a fee-for-service plan. They choose the physician, they choose the hospital, and Medicare reimburses most of the cost.

But what I believe is going to happen under this plan, and again for budgetary money reasons in order to finance this tax cut, is that more and more seniors are going to be forced into HMO's where they cannot choose their doctor or they cannot choose the hospital that may be close to them, and they have to go into a managed care plan or an HMO where those choices are made by others.

That is a very terrible thing for a lot of senior citizens, first of all because a lot of them have used the same physician for years and they are confident that that physician can care for them. Also, many of them live close to a hospital that they like and they do not want to have to go to a hospital that is 15 or 20 minute or maybe even an hour, who knows how far away if they are living in a rural area.

Well, in this plan, again it is not clear what is in this plan, but in this plan, the suggestion is that there will be fixed dollar payments to HMO's. In other words, that if they choose to opt for an HMO or a managed care system, then the Government will pay a flat amount to that HMO or to that managed care system. It is not at all clear whether or not that HMO can charge more to the senior for a better, more comprehensive health care plan.

It is almost similar to the voucher. The Republican document does not suggest that they are moving to a voucher system. But if they, in fact, give a flat rate to the HMO and then say that the HMO has to take what the Government gives them, and the HMO says, ''that is not enough to pay for the cost of the traditional care that we provide, so we are going to have to provide less quality care or reduce the amount of doctors, whoever participates, but if you pay an extra $1,000 or if you pay an extra $1,500 a year, we will give you a better plan,'' then in effect we have created a situation where the seniors have to pay money out of pocket to get a better traditional quality health care plan that they are used to.

Again, it is not clear what exactly the Republicans have in mind. Hopefully, at some point over the next few weeks we will get some more details about exactly what this means.

The other thing that is in this document that is a very dangerous precedent, which again is likely to force many low-income senior citizens into HMO's or managed care systems where they do not have a choice of doctor or hospital, is that the proposal does away with Medicaid paying for supplemental insurance. A lot of senior citizens have what they call MediGap. Medicaid pays the MediGap so that they do not have to pay out of pocket for the extra coverage that they get under MediGap because Medicare does not pay for that coverage.

Seniors are not going to be allowed to use their Medicaid to pay for that supplemental health insurance coverage for items that are not covered by Medicare. What that means is that low-income people will be forced into HOMO's, low-income seniors, because they will not be able to pay that extra MediGap insurance in order to continue with a fee-for-service system where they choose their own doctor or their own hospital. They will literally be forced into an HMO or a managed care system, without a choice of physicians or choice of hospital, because

there is no one to make up for that premium for the supplemental insurance.

There are a lot of very sinister ways, I believe, when we finally get the details of this plan where I think it is going to be increasingly evident that many seniors, if not all, who do not have extra money are going to be forced into an HMO or a managed care system where they do not have a choice of their physician or for the hospital that they want.

Again, and I have to stress that over and over again, the plan or the outline that was presented today by the Speaker and by the Republican leadership talks about $270 billion in cuts but does not tell us where those cuts are going to come from. We do not know whether the majority of it is going to come from reduced payments to health care providers like the hospitals or the doctors.

We know that probably about $80 billion is going to come from these increased premiums that I talked about before for Medicare part B, which will essentially double the premiums that seniors are going to have to pay for their physician's care. But we do not know where the rest of the moneys come from, the other $200 billion or so. Is it going to come from reduced payments to hospitals and to physicians? If that is the case, we are going to see a number of things happen.

If you cut into the amount of the payments that are made to the hospitals or the physicians, you are going to see a lot of physicians who will not take Medicare patients anymore, and so access to doctors is going to be limited, and you are going to see a lot of hospitals that are either going to close because they depend too much on Medicare to finance their operations or simply cut back on services in various ways. They can cut back by not providing certain community services, by not providing certain equipment. In my own district, we went during the August break to Monmouth Medical Center which is in my hometown of Long Branch. They depend on Medicare for the majority of their revenue. If they have a significant decrease in the amount of money that they are reimbursed for Medicare payments, they are probably going to have to cut back on staff, cut back on community services, cut back on clinics, cut back on all types of things. Some of the hospitals are in such a critical situation in New Jersey, we have identified, I think, through the New Jersey Hospital Association about 76 hospitals that are put on a critical list, they are so dependent on Medicare and Medicaid payments that if the amount that they got is reduced significantly, some of them will definitely close and we will see a situation where people who have traditionally relied on a local hospital will not even be able to find the hospital because it will not be there anymore and they are going to have to go elsewhere. Even if you take this $270 billion cut and you subtract the $80 billion that is going to be paid for on the backs of seniors because they are doubling their part B premiums, and even if you took, say, another 100 or 200, I do not know how many billion in reducing the amount of payments that go to hospitals and the physicians, there is still about a $90 billion what I call black hole that is left totally undecided in this plan, because essentially what the plan says is that we will figure out between now and 2002 whether whatever we come up with works in terms of saving money and if it does not, they we will just do some sort of across-the-board cut, and that will probably mean increased co-payments, deductibles, even less provider fees, whatever. Even though they suggest that they are not going to increase copayments and are not going to increase deductibles, the bottom line is that with this huge black hole that is not financed in any way as part of this plan, I have no doubt that they will be forced ultimately to come up with increased deductibles or copayments as a way of trying to finance this overall program.

I guess the saddest thing for me is that all this is happening so quickly and without any input from the public. Back in April when the Republican budget was adopted in this House and in the Senate, we were told that Medicare was going to be slashed by $270 billion and that was going to be used either for deficit reduction or for the tax cut. April, May, June, July, August, it is now September, I do not know how many months that is, 4 or 5 months later, we still have no plan. Yet next Thursday in the Committee on Ways and Means or soon thereafter there is going to be just one day of hearings on whatever plan we finally get, one day for the American people and for Congress and for all the people that are concerned about the health care delivery system to review whatever plan we finally get between now and that 1 day when those hearings are held in the Committee on Ways and Means.

It is totally unjustifiable for the Republican leadership to come forward with this stealth plan, after talking about these cuts now for 5 or 6 months, to come up with the implementation at the last minute and expect the public and the Congress to digest it and vote on it in 1 day with such a little period of time to review what this is all about.

□ 1700

I think that that is the biggest, the cruelest hoax, if you will, that is to be placed out in this House and on the American people. This is such an important program that affects senior citizens and all those that depend upon senior citizens.

Remember, it is not just seniors, but all their dependents that would have to help them pay for the extra care or care for them if they are not able to get care. Everyone in this country is going to be impacted by this program. Yet, we are talking about this plan coming out possibly within the next week with 1 day of hearings and a quick vote in committee and this House thereafter.

If the Republicans ever reveal their plan, I have no doubt that the American people should be able to analyze what the Republicans are going to do to them. Instead, the Republicans are holding secret meetings without senior citizen input.

Last year, they criticized President Clinton's health care plan because they said he was holding closed-door meetings. But at least President Clinton's plan was made public for over a year and we had the opportunity to analyze it. We are not going to have the opportunity to analyze this one.

I waited this morning. I listened to what the Speaker said on CNN. I got a copy of what was put out by the leadership, and it still does not tell me how they are going to implement this $270 billion in Medicare cuts. I am still waiting for it, and the American people are still waiting for it.

Mr. Speaker, I think it is our obligation as Members of this House and as Congressmen to make sure that that plan comes out in specifics and there is ample time to analyze it before we vote on it in this House and in this Congress.

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

THE EFFECTS OF REDISTRICTING

The SPEAKER pro tempore. The first hour is allocated to the minority leader. The Chair is advised that he has designated the gentlewoman from Georgia [Ms. MCKINNEY] to control the balance of the time.

Ms. MCKINNEY. Mr. Speaker, I am pleased to come here again this evening to discuss the issue of redistricting.

Mr. Speaker, you are very well aware, we are in the midst of a historic fight, really, in the State of Georgia, and the future of African-American representation is at stake in the decisions that will be made relative to Georgia's newest district, Georgia's 11th Congressional District.

We understand that this redistricting issue is a basic issue about the allocation of power in this country. The question is: Are we going to have a government that is reflective of those who are governed, or will our Government consist of a few hand-picked people who are the political and economic elite of this Nation, or will people like me be able to walk the Halls of Congress, be able to gain election to policymaking positions, to be able to become a part of the very fabric of America's democracy?

The reason I say people like me, is because I come from common stock. I am not from a wealthy family. My father was a policeman in the city of Atlanta for 21 years. He was one of the first black policemen.

He had to endure outrageous conditions where he could not go into certain areas of town; he could not arrest

people who were not black; he could not even change his police uniform in the headquarters of the Atlanta Police Department. The black policemen of his era were forced to go around the corner and down the street to the local black YMCA and change their clothes.

Out of his struggle to be able to practice his profession with dignity, came the opportunity to change politics in the city of Atlanta. Even at a very early age, I am fortunate to have been a part of his struggle to make change in the city of Atlanta. Through the collective efforts of people from common stock all across this country, we have been able to make a democracy in this country of which we can be proud.

Now, we can truly say that people can rise above tremendous odds, people can overcome tremendous circumstances, and people can become a fabric in our democracy.

Through our participation, we can give hope to people who have been hopeless. We give voice to people who had been voiceless. We now are able to make dreams come true. And even in the much-maligned 11th Congressional District of the State of Georgia, we have been able to make dreams come true.

I have got some maps here of districts that have not had to endure the kind of negative remarks or negative characterizations that have been made about the district that I represent.

We have here the district from Illinois, the Sixth District, which has a supermajority; happens to be 95 percent. That majority is white. This district has remained unchallenged. Nobody thought that this district had an irregular shape. Nobody thought there was anything wrong with the supermajority of 95 percent.

This district has been untouched and unscathed, as we have seen the issue of redistricting raised all across the South and now even into our northern States.

I also have a map of another district. This is the Sixth Congressional District of Texas. Now, all of the districts in Texas were challenged, but something strange happened. Only the districts that were African-American were found unconstitutional and one district that is majority Latino was found unconstitutional. But this district, which has a very regular shape according to the courts, and, of course, there is nothing wrong with the supermajority, was found constitutional.

It seems to me that there is definitely a double standard if anyone could say that this district is neither of irregular shape nor of supermajority that is unconstitutional

Of course, this is the 11th Congressional District of Georgia. The Supreme Court did not say that it was irregular in shape, but they did say it was unconstitutional, because of a 64-percent supermajority.

Of course, what kind of people are in this district? People who only want a fair shake from their Government. People who want to feel that they can go to their precinct and cast a vote for a candidate who at the end of the day will be a representative of their choice.

If the people in Georgia who happen to reside in Georgia's 11th Congressional District now find that they must cast a vote in which their vote is not as meaningful, I think it would be a sad day in the State of Georgia.

But, Mr. Speaker, we are a nation of laws and we are a nation of court decisions. And, of course, all of us have to abide by the laws of the land and we must also abide by court decisions, even when we disagree with them.

I am pleased that we have with us a representative, strong advocate for the people of the State of Florida. One of the things that we noticed is that women have an opportunity to get elected as a result of redistricting, because we have open seats, because we have retirements. So, when redistricting takes place, sometimes women are negatively affected.

We have with us Representative CORRINE BROWN whose district has also been targeted and I would hope that CORRINE does not have to go through what I am going through in the State of Georgia. But I guarantee my colleagues one thing, the face of this redistricting battle is as much about women as it is about African-Americans.

Ms. BROWN of Florida. Mr. Speaker, I want to say before I begin, in this Congress it has been pretty hot for me in these last 6 months and it has not been a lot of fun, but one of the joys has been serving with the gentlewoman from Georgia [Ms. MCKINNEY] in the 103d and the 104th; a Member that is committed to all of the people in this country. We stand together and I will fight for all of the people.

Ms. MCKINNEY. Thank you.

Ms. BROWN of Florida. Mr. Speaker, that is one of the things that I can also attest to, that what we are experiencing now is not the first time it was experienced in the Congress of the United States. In fact, in the 1800's, the same kind of challenges to African-Americans took place.

This year, we celebrate the 30th anniversary of the Voting Rights Act, and the 75th anniversary of women's right to vote. In 1962, only 5.3 percent of the voting age black population was registered to vote in Mississippi. There were only 500 black elected officials in the entire country. Today there are over 5,000 black elected officials.

The 75th anniversary of women's right to vote represents a long struggle and great sacrifices. Women had to fight against entrenched opposition with almost no financial, legal, or political powers of their own.

For the first 150 years of our Nation's history, American Government did not include women. Does the gentlewoman from Georgia want to respond to that? Can you imagine this Congress without any women?

Ms. MCKINNEY. I can imagine it, but I cannot imagine a real democracy without women.

Ms. BROWN of Florida. But women won the right to vote by the slimmest of margins. In the House of Representatives, suffrage passed by exactly the number of votes needed, with one supporter carried in from the hospital and the other leaving his wife's deathbed to vote.

In the Senate, suffrage passed with just two votes to spare. When the 19th amendment was sent to the States for ratification, Tennessee, the last State, passed it by a single vote during a recount. So it just amazes me that people cannot understand how important their vote is.

Redistricting, since the 1990 census, has marked tremendous gains for women and minorities. In 1992, the year we were elected to Congress, was a historical year for Florida. For the first time in over 120 years, an African-American was elected to Congress from Florida.

I do not understand why people do not feel history is important. I want to repeat that. For the first time in over 120 years, an African-American was elected to the U.S. Congress from Florida.

At the same time, I was elected to represent the Third Congressional District, my colleagues, Representative CARRIE MEEKS and Representative ALCEE HASTINGS were also elected to represent Florida.

□ 1715

Sixteen new African-American Members, mostly from the South, were seated in the House of Representatives, and one African-American Senator, CAROL MOSELEY-BRAUN, was seated, expanding the Congressional Black Caucus members to 40, the largest ever. Now there are 57 women, 19 Hispanic, 8 Asians and 1 American Indian. This is the highest number of minorities to ever serve in the history of the U.S. Congress. Despite these gains, Less than 2 percent of the elected officials in this country are black. We still need the Voting Rights Act, and we still have a long way to go. I want to repeat that: Less than 2 percent of the elected officials in this country are black.

I and others would not have the honor to serve in Washington if it were not for the courage and sacrifice of great leaders who led the way before us. Let me tell you about the person from Florida, the first black, and only, elected was Josiah Wells, was elected from the area that I now have the honor of serving, Gainesville, Fl., and he was elected in the year 1879. He was elected from the Third Congressional District, just like me. Josiah Wells' election was challenged, and he lost his seat after only less than 2 months in office.

However, by the time he had already been elected to a new term, believe it or not, his next election he won, the courthouse burned down, the election

was challenged and he was thrown out. So it is not much different between 1879 and 1995, thus ended Florida's first congressional career for a black Representative.

I went on and did some research on him. He left the Congress. He went to my school, Florida A&M University, and he headed up the Department of Education there. Once Reconstruction began, 21 black Congressman were elected from the South between 1870 and 1901.

However, after 1901, when Jim Crow tightened his grip, no black was elected to Congress from the South in over 70 years. It is more timely than ever to study what happened to black representation during the Reconstruction. This period may seem like ancient history, but what happened then seems to be happening over again. When the redistricting process began in Florida in 1992, leaders of the Florida Legislature, where I served as a representative for 10 years, proposed that we have one African-American congressperson from Miami, at 52 percent, even though the census shows that minorities in Florida represent close to 40 percent.

The proposed new African-American district would be located in Miami, although Orlando, Jacksonville, Daytona, Tallahassee would still be unrepresented. The legislative leaders made it clear they would not compromise, and, in fact, I want you to know what happened in Florida. The legislature could not draw districts in Florida. The courts took over, and the reason why the courts took over is because everybody that was in charge of the redistricting was running for Congress. So it did not have anything to do with whether you were African-American, but everybody in charge was running, from the President of the Senate to the people in the House, that headed up redistricting to the people in the Senate.

So we could not pass a plan in Florida. So you cannot disregard the role that politics plays in drawing districts.

Ms. MCKINNEY. Mr. Speaker, I have read the brief that the plaintiffs in your case filed. I would like for you to explain to the American people the basis on which the plaintiffs have filed a lawsuit against the Third Congressional District of Florida. What were some of their reasons?

Ms. BROWN of Florida. The main reason is that they felt that the person from the Third Congressional District voted with the Black Caucus, not voted for the people of the Third Congressional District.

I had 13 town meetings during the break. I saw over 3,000 people, and we are altogether on our other issues. We all do not support any of the Medicaid cuts; you see, this is what we have in common: We do not support the cuts in education, the cuts to the senior citizens; putting children first with the cuts. If we are supposed to balance the budget, the people from the Third Congressional District feel that women and children should go first. It should not be on the backs of the poor people and the working people in this country.

Ms. MCKINNEY. But the plaintiffs have said that because you vote with the Congressional Black Caucus on these kinds of issues, that you do not deserve to sit in Congress and that the people that you represent do not deserve to have a voice in Congress? Is that what they are saying?

Ms. BROWN of Florida. That is exactly what they are saying, but more than that, the people of the Third Congressional District have had opportunities to decide who they want to represent them, and we are not talking about some of these Members of Congress that just did win. This Member won close to 60 percent.

Ms. MCKINNEY. So you won.

Ms. BROWN of Florida. Keep in mind now, the plaintiff, I beat him close to 70 percent.

Ms. MCKINNEY. Wait a minute now. I do not believe what you are saying, because the organizer of the plaintiffs in the 11th District of Georgia was my former opponent.

Ms. BROWN of Florida. Well, the organizer of the Third Congressional District, who, by the way, does not live in the Third Congressional District, you know, but wants to dictate what happens in the third, I beat him close to 70 percent in the last election, well, in 1992.

Ms. MCKINNEY. So really it appears that what we are seeing is people run for office.

Ms. BROWN of Florida. Losing by large numbers.

Ms. MCKINNEY. They lose, then they cannot stand the agony of defeat, particularly to a woman.

Ms. BROWN of Florida. A black woman.

Ms. MCKINNEY. So then they go against the will of, I won by 66 percent in 1994, so they go against the will of 66 percent of the people in the district. I had five plaintiffs, and they take it out on 580,000 people, is that what you are saying?

Ms. BROWN of Florida. That is exactly what I am saying. That is exactly what I am saying. For the courts, this is the sad indictment to come up with rulings to ignore the history of this country; you know, it would have been nice to think that America has always been color-blind and that women and minorities have always had the opportunity to participate. But they have not.

As I told you earlier, women for the first 150 years of this country could not vote in this country.

Ms. MCKINNEY. I am so pleased that we have been joined by another woman whose district has been declared unconstitutional.

Ms. BROWN of Florida. Excuse me, is this the same district that Barbara Jordan represented for over 20 years?

Ms. EDDIE BERNICE JOHNSON of Texas. No.

Ms. MCKINNEY. This is a new district, but Barbara Jordan's historic district was also found unconstitutional by the Texas lower court, but now they found this district constitutional, so this district is constitutional, but this woman does not deserve a seat in Congress.

Ms. BROWN of Florida. If that is Ms. JOHNSON from Texas I think she has a very compact district, although compactness should not be the only criteria to decide how to district.

Ms. MCKINNEY. Why do we not hear from Congresswoman EDDIE BERNICE JOHNSON from Texas and she can tell us about the Texas situation.

Ms. EDDIE BERNICE JOHNSON of Texas. Thank you very much. Let me applaud you for being persistent about the right of voters in the various districts. In Texas, black citizens were not allowed to vote in the primary until 1944, and then they bought poll tax, and it was not until the early 1970's that we were allowed to register to vote without paying.

Ms. BROWN of Florida. Excuse me, I did not hear you. You must be mistaken.

Ms. EDDIE BERNICE JOHNSON of Texas. No; it is a matter of record. We had to pay poll tax to vote and, then we had to go through a lot of intimidation. So we were delighted when the Voting Rights Act came in 1965, and for the first time in Texas, for the 1970 census, we were able to have an opportunity to have representation at State level as well as congressional level.

The district that I occupy was supposed to come about after the 1970 census. But, indeed, it came 20 years later. The district that I represent is one that is over one metropolitan area, and it is clear that the lines are a little jagged, not quite as jagged as District Six. I do not know the real difference, actually, except that mine is 45 percent black populated, and because of that it was declared unconstitutional. It is interesting.

Ms. MCKINNEY. Wait a minute. Your district is 45 percent black and it is unconstitutional, my district is 64 percent black and it is unconstitutional. What is your district?

Ms. BROWN of Florida. Mine is 50–50.

Ms. MCKINNEY. Yours is 50 percent black, that is unconstitutional. Does that mean any percent black is unconstitutional?

Ms. EDDIE BERNICE JOHNSON of Texas. It appears that way because that district is 91-percent white and it is constitutional.

Ms. BROWN of Florida. Let me say, in Florida, until 1982, we elected two members to the Florida Senate for the first time in 100 years. I just want you to know we have not come that far. The history of representation in this country is not great. If you look down in Florida, we did not elect a woman until, I think, 1986, not in the history of the State of Florida.

Ms. MCKINNEY. Congresswoman BROWN and I were amazed to discover that the organizer of the plaintiffs in the Georgia case was a gentleman who

had run in the 11th district and had lost. The same situation prevails in the Florida case. Could you tell us a little bit about the plaintiff in your State?

Ms. EDDIE BERNICE JOHNSON of Texas. It became a problem because he lost?

Ms. MCKINNEY Well, I doubt very seriously, had he won, that we would be in this situation now.

Ms. EDDIE BERNICE JOHNSON of Texas. So if you do not win when you run, you can file a lawsuit?

Ms. BROWN of Florida. I guess so, and you have friends in the courts.

Ms. EDDIE BERNICE JOHNSON of Texas. I think the thing that troubles me the most about this is that we have heard statements from some that feel that they should not be represented by black people. That is clearly very interesting, since we have been represented by whites all of our history.

Ms. MCKINNEY. We continue to vote for whites.

Ms. EDDIE BERNICE JOHNSON of Texas. Indeed, and most of them have not really been that responsive.

Ms. BROWN of Florida. You know one of the things that I find outstanding by every black Congressperson that I know is that we vote for people issues, and it does not have anything to do with color. When I vote for lunch programs, I want all of the children to be able to go to school and have school lunch.

While fighting against Medicare and Medicaid and the cuts, I am representing all of the people of Florida. I do not see how a Congressperson from Florida can go along with the proposals that they have to cut Medicaid and Medicare. Reverse Robin Hood: Robbing from the poor and working people to give to the rich. There are not other Members in Congress more democratic than the black Members of the caucus.

Ms. MCKINNEY. Well, I would agree with you and say that when I put my card in the little machine and I press my ''yea'' or ''nay'' button, it does not have ''black'' on it. So when I cast my vote, my vote counts the same as everyone else's vote up here, and when I cast my vote on issues, I am looking at the impact of that vote on all of my constituents, not just not black constituents. When I come up here, I do not vote just for black people, I vote for everybody.

□ 1730

Ms. BROWN of Florida. It just always amazes me how when people parade through black churches in September, October, and November, they see no relationship to what they do in January once they are sworn in.

Ms. EDDIE BERNICE JOHNSON of Texas. Well, I think the important thing is for those persons that we represent, we try very hard to be responsive. We answer mail, we visit, we answer questions, and we try to respond and vote to represent that majority.

Ms. BROWN of Florida. All of the people.

Ms. EDDIE BERNICE JOHNSON of Texas. I am sorry to say that very, very often, when I have voted for people, I did not get that responsiveness. I did not always get my letters answered. If I asked questions they did not like, I was avoided. That has not happened with me. What about the other gentlewomen?

Ms. MCKINNEY. I can tell the other gentlewomen that in our congressional office we have serviced, in our casework alone, thousands of our constituents. Now, we do not hang a shingle on the door that says black here and white here. We do not do that. Everybody comes into our office and we treat everybody with dignity and respect, because that is the way we want to be treated. So we do not make a difference between our constituents. We serve all of our constituents.

Ms. BROWN of Florida. I am very proud of the service that my office rendered to the people of the Third congressional district. I have gone into little counties and the next day the headlines in the paper reads the first time in anybody's memory they had even seen a Member of Congress.

Ms. MCKINNEY. That is correct.

Ms. BROWN of Florida. The first time they had ever seen a Member of the United States Congress.

Ms. MCKINNEY. I represent a little county of roughly about 2,000 folks or so. It is Glascock County. It is the peacock capital of Georgia. I went there for a visit. It was the first time that that county had ever been visited by a Member of Congress. And that county, by the way, is a majority white county. So we do not distinguish our constituents on the basis of race, and it is unfortunate that five unhappy people would be able to hold 580,000 people hostage as we go through this redistricting process.

Ms. EDDIE BERNICE JOHNSON of Texas. I believe that one thing that I will always be known for is my responsiveness to all people without regard to color or age or gender, and I think my record is clear.

As a matter of fact, I have not won with less than 73 percent of the vote. When I ran for the Texas House in 1972, I became the first black woman in the whole area ever elected to public office and I did not get any more opposition the whole time I held that office. When I ran for the Texas Senate, after my first race, I did not get any other opposition. So I must be pleasing a majority. I received 93 percent of the vote in my primary coming to the U.S. Congress.

I believe that I am pleasing the majority. But there was one person who indicated that she did not want to live in that district and so she joined with the plaintiffs. I do not have a problem with that person's opinion. I have lived in districts that I did not want to live in. But I think it is called democracy. Democracy in this country is admired the world over. We have attempted to spread it throughout the world and it is a difficult form of government. It is probably the most expensive form, but it is the form that we all prefer. It is a form that we have respected, it is a form that we fought for.

In every war, we have been a part of that, defending this Nation. We have been a part of law enforcement. We have been a part of teaching. I do not know a profession that we have not wanted to be, even before we could be, a part of.

I believe that this country has promised all of its people one vote per person, and I do not think it eliminates us now. I realize that it did at one time. I believe that these districts are worth standing up for. I think they are worth fighting for, because we fought for freedom and this is all a part of it.

It is clear that we have been dealt some negative blows. It is clear that we have all suffered race discrimination. it is clear that we continue to face those barriers. But I believe if we succumb to those barriers, we will be letting a lot of people down. We would be letting this country down because this country's promise is not to have discriminatory practices, and we owe that as a responsibility to all of this Nation's people.

We need to get to know each other, because once we do, we will not have the same barriers as before we do. I believe that it has been educational for the persons that I represented to get to know me and for me to get to know them. That is really what makes a real understanding and acceptance.

It is unfortunate that we have to go through this first, but can either of the gentlewomen name any institution that has not come through the growing pains? And, yes, this has been long, it has been hard, it has been heartbreaking, it has been disappointing, and it is hard to explain it to your children, it is hard to explain to your grandchildren, but we cannot give up.

Ms. MCKINNEY. We absolutely cannot give up.

Ms. BROWN of Florida. We stand on very tall shoulders. If we think about people that have died to give us the opportunity to stand here on this floor and have this conversation, then I am committed that we will never go back to an institution of all white men.

Ms. MCKINNEY. I agree with the gentlewoman, and I just did a little list here of the women whose districts have been targeted. Women. So while we three up here also happen to be African-American, we are women trying to make it in a traditionally male environment.

SHEILA JACKSON-LEE is the gentlewoman's colleague from Texas; the gentlewoman from New York, NYDIA VELÁZQUEZ, is America's first Puerto Rican American Congresswoman. Somebody in the State of New York does not like the fact that we have, for the first time in our Nation's history, a Puerto Rican American woman voting on the floor of the United States House of Representatives.

Ms. BROWN of Florida. As I said before, this is the first time, these past 3 years, or 2½, that we have had a diverse Congress. It has been the most diverse. Look who championed the issues of the people. I am very proud to stand with the Women's Caucus, the Hispanic Caucus, the Black Caucus, the Democratic Caucus for the people of this country.

If we look at the attacks on affirmative action, and I recognize that is another talk, but we have 98 percent of all of the jobs in all of the categories held by white males and they are only 42 percent of the population. It is like my grandmamma's sweet potato pie. All we have is a thin slice, and they do not want us to have that slice.

Ms. MCKINNEY. Well, I want to thank both of the gentlewomen for joining me in this special order and I would like to conclude by saying that I know that this struggle, as the gentlewoman correctly point out, is growing pains for the south and it is growing pains for our Nation.

We do not stand alone in Georgia's fight that we are having. We have been joined by the Congressional Black Caucus, the Democratic National Committee, the Democratic Congressional Campaign Committee, the State of Texas, the National Voting Rights Institution, Mexican American Legal Defense Educational Fund, National Asian Pacific American Legal Consortium, the NAACP, the National Organization for Women, the National Organization for Women Legal Defense Fund, National Urban League, People for the American Way, and Women's Legal Defense Fund. It is obvious that we do not stand alone.

Ms. EDDIE BERNICE JOHNSON of Texas. It is very ironic that gerrymandering never became an issue until they started to include us. Districts were drawn all kinds of ways. I happened to have chaired the State Senate redistricting committee for congressional districts, and all kinds of requests came in. They wanted to include their grandfather's burial site, their grandmother's birthplace, an army site, a certain street, and a little store that they visited in. But when it includes black voters, it becomes illegal.

Ms. MCKINNEY. I would ask the people of this great Nation to please stand with these women who are here and the other women whose districts have been targeted and say that we appreciate the kind of democracy that we have now achieved; and while we are faced with the position of some people trying to take us back, this country will not go back, and that the people will join with us as we fight to move this country even more forward toward a greater type of democracy that includes everybody.

I thank the other gentlewomen very much for participating.

Ms. BROWN of Florida. I thank the gentlewoman.

Ms. EDDIE BERNICE JOHNSON of Texas. I thank the gentlewoman.

REPUBLICAN AGENDA

The SPEAKER pro tempore (Mr. MILLER of Florida). Under the Speaker's announced policy of May 12, 1995, the gentleman from Ohio [Mr. HOKE] is recognized for 60 minutes as a designee of the majority leader.

Mr. HOKE. Mr. Speaker, I rise today to review some of the areas that we have been involved in the past couple of weeks that we have gotten back since the break, and particularly to look forward to what we are going to be doing during the next 2 months, because this is going to be an extraordinarily busy time, a very exciting time, and, frankly, and extremely challenging time for House Republicans on a number of fronts.

I think, first of all, it is important to look at the big picture and to remind ourselves, and, of course, I am not speaking directly to the American people, but to you, Mr. Speaker, and perhaps they will hear also, but to remind ourselves that as we responsibly cut Government, which is what the American people want us to do, we also intend to grow America. Our plan is based on the principle that America's greatness is based on its people, not its bureaucracy, and that its greatest accomplishments lie in front of us and not behind us.

We have essentially four things that we are going to continue to work on up until the end of this term of the first year of the 104th Congress. The first is to balance the budget in 7 years. As we all know, Mr. Speaker, we passed a budget resolution in late June that shows a roadmap to how we can get to a balanced budget by the year 2002. We have worked assiduously passing appropriations bills that will do exactly that.

First of all, in these appropriation bills, we have begun with the legislative branch itself and the conference report, because we all know that charity begins at home and so do the cuts. If we cannot take personal responsibility right here in this House, and if we cannot set an example and show how we Republicans ourselves are willing to make the sacrifices that are necessary, how on Earth can we possibly ask the American public to do the same thing.

So, Mr. Speaker, we began with an 8 percent reduction in the 1996 appropriation for legislative branch, and that is a $205 million cut below the 1995 levels. I think it is important to remember that when we are talking about this cut of $205 million, that is a real cut. That is not a phony smoke and mirrors Washington cut, that is actual real dollars: $205 million less than what we are spending in fiscal year 1995, the year that is going to end on October 1.

That is a remarkable difference, because in the past we have used this dark alchemy of baseline budgeting to confuse the American public. And it is the same dark alchemy that is being used right now by our liberal friends on the other side of the aisle to claim that we are decreasing, or cutting, slashing I think is the word that is used most frequently, slashing Medicare in order to pay for ''tax cuts for the rich''.

The fact is, Mr. Speaker, that we are increasing in real dollars; not in inflated dollars, not in projected dollars, but in real dollars off of the 1995 actual amount. We are increasing the amount of money that will be spend on Medicare.

□ 1745

I am going to get to that in a minute, but I want to emphasize, as I go through some of these appropriation bills, that we have actually genuinely cut real dollars; in the case of leg branch, 205 million real dollars, from what we spent in 1995, not $205 million less than what somebody at CBO, an analyst who was never elected to anything at CBO projected we would be spending in 1996, but in fact $205 million less than we have spent in 1995.

How about on the foreign operations side of it? We did slash foreign aid. We cut the foreign aid appropriation by $1.5 billion below the 1995 levels. That is an 11½-percent reduction.

In the Department of Interior appropriations bill we cut spending there by $1.6 billion over the 1995 levels.

And we eliminated bureaucracies. We ended the funding for six Federal agencies, including the National Biological Survey, the Bureau of Mines, the Office of Indian Education, and the Office of Emergency Preparedness.

Treasury-Postal Service; we delivered spending cuts that we promised. We reduced spending by more than $300 million below the fiscal year 1995 levels.

In the Department of Agriculture we have truly sown the seeds of deficit reduction. We have cut farm and food spending by $6.3 billion below the 1995 fiscal year budget. That is a 9-percent reduction.

The American people have been saying for several decades we are subsidizing agricultural interests in a way that does not make any sense, and, if you listen to many, many farmers, they say exactly the same thing because what we do is we pay farmers to not grow crops that they probably would not have wanted to have grown anyway had the market been allowed to act as it should, and, as a result of that, we have a distorted marketplace in the agricultural industry in this country, and we are making those changes in real terms on a real-time basis.

Also in the Department of Agriculture we have reduced welfare spending. We have cut the food stamp budget by $1.7 billion below fiscal year 1995, a 6-percent reduction going specifically after the waste, fraud, and abuse that exists in that area at the same time that we have increased nutrition funding. This is the WIC program for women, infants, and children, and also the school nutrition, school lunches, that we have increased substantially. WIC goes up 7½ percent. That is $260

million more than in 1995, and child nutrition funding jumped 6.7 percent, $581 million over 1995.

We have ended a lot of pork-barrel spending. This is also in the Agriculture appropriations bill. Its taxpayer support is terminated for 80 special research and extension projects: The Rural Development Loan Fund, the Outreach for Socially Disadvantaged Farmers and Ranchers Program, the Honey Program, and university research buildings and facilities.

In the Department of Transportation, Transportation appropriations bill, we have reduced funding by $1.4 billion. That is a 10-percent cut.

And in the appropriations bill on Commerce, Justice, State, and Judiciary we have also had substantial cuts that include the beginning of tearing down and taking apart brick by brick the Commerce Department. Commerce funding is cut by $715 million in the first step toward eliminating that Department completely.

What we have done is we have increased domestic-violence funding by fivefold to combat the appalling amount of violence that is committed, spousal violence and nonspousal violence, domestic violence, committed against women in the United States. We have $125 million provided for domestic-violence programs, which is a $100 million increase.

In the VA–HUD bill we have cut spending by more than $10 billion below fiscal year 1995 levels. That is an 11-percent reduction.

And on and on and on, and so those who say that we are not cutting the budget or that, if we are going to fix Medicare, we should be digging deeper into other parts of the budget, think again. We have been extraordinarily aggressive with respect to every area of the budget, including, to a certain extent, national defense, where there has been no increase, although that budget has remained flat, and I think, as you know, Mr. Speaker, I differ with some of my colleagues with respect to that because I think there is a lot more that we could be and should be doing with respect to streamlining and bringing best commercial practices and procurement practices into the Department of Defense.

But I wanted to go on to the next area of the budget that I think is important and the next thing that we are going to be doing, as Republicans, in the coming 90 days, and that has to do with something I know is very close to your interests, Mr. Speaker, and that is to save Medicare. I think when we talk about Medicare we have to start out with the trustees' report of April 1995 and remind ourselves that there is actually a real problem, a genuine problem, and that if we do not do something to fix the problem, we run the danger, the real risk, of not having Medicare and that, if we do not go after this now, if we do not do something to make it solvent, what we are saying is we are not going to be responsible. We are just not going to take the advice of the Medicare trustees in their report to the President.

Let us see what they said. They said, quote, under all the sets of assumptions the trust fund, that is the Medicare trust fund, is projected to become exhausted even before the major demographic shift begins.

Now what do they mean there? They are talking about when they are talking about the major demographic shift, talking about the shift of baby-boomers, people about my age, who become retirees. That will happen in about 20 or so years, and that is a shift that will mean that, instead of having 3.3 workers for every retiree, for every Medicare beneficiary, at that time, the year 2030 I believe it is, we will—or 2025—we go to the point where we have got two workers in this country for everybody Medicare beneficiary. Now, even well before that the trust fund is projected to become exhausted.

The other thing that they say is, quote, the fact that exhaustion would occur under a broad range of future economic conditions and is expected to occur in the relatively new future indicates the urgency of addressing the health insurance trust fund's financial imbalance.

Well, what does that mean? Who is supposed to address it? Well, presumably, and in fact if you read the entire report, it is very clear who they expect to address it. They expect people in positions of responsibility in the Federal Government, specifically the President and the Congress. That means the House and the Senate, we are expected to come up with these—first of all to take the problem seriously, and, second of all, to act on it.

I see that I have been joined by my good friend from Maryland. I suspect he wanted to add something to this.

Mr. BARTLETT of Maryland. I am happy to join the discussion of Medicare.

I think to put this in perspective that one of the first things that we need to do is to chat for just a moment about how Medicare is related to balancing the budget. I notice a lot of columnists and a lot of Congressmen will directly or indirectly relate our problem with Medicare to balancing the budget.

What we are talking about here and what the trustees were talking about is part A of Medicare. That has a trust fund just like Social Security. It really has nothing to do with the budget.

We make the statement that, and it is a very correct statement, that if the budget were balanced today, we would still face exactly the same problems with most Social Security and with Medicare that we face now, and so this is not a problem which is related to balancing the budget. It is true that if the budget were balanced today that we still face a problem having to do something about Medicare or it is going to be bankrupt.

Now I know that there are those who are saying that the Republicans are going to cut Medicare. That is not true, and we will come to that in a couple of moments. You need to go to school for some elementary math if you think the Republicans are cutting Medicare.

Yes, sir; you had a comment?

Mr. HOKE. I think it is worth explaining why specifically this trust fund or why specifically whether or not the budget was balanced today does not affect this, and I think it is fairly easy to understand once you understand where the money comes from that goes into this trust fund because the only money that goes into the Medicare trust fund is from the payroll tax, the 1.45 percent times two, 2.9 percent, because it is matched payroll tax that is due—I am sorry, the 1.4-percent tax that is paid by each person with earned income in the United States. And that money goes directly into this trust fund.

The Federal Government is precluded, is forbidden, from using any other Federal funds to pay for the payments that are made by the Health Care Financing Administration [HCFA] to pay for medical services. They must use the Medicare trust fund for those services. They cannot use the general fund of the United States.

Mr. BARTLETT of Maryland. That is for part A, and that is the one the trustees are talking about, that is the one that is in trouble, and that is the one that we are talking about that we must do something to strengthen it, and save it, and preserve it so it will be there for our children.

By the way, I think in 23 out of the last 27 years we have increased the payroll deduction for Medicare, so it has gone up, and up, and up, and we obviously cannot continue to do that.

By the way, if we doubled or tripled that withholding, Medicare is still in trouble. So we have got to do something beyond that.

So the first point that we need to make is that Medicare is not related to the budget. It is off budget.

Now I know that we have been taking the money from the Medicare trust fund. We take if from all trust funds. I do not agree that we ought to do that. I think we need to stop doing that. We need to enact legislation so that we can stop doing that because right now by law the surplus funds in these trust funds have to be invested in U.S. securities.

So, it is the Congress' fault that these funds are not there. Every bin where there should be dollars, like the highway trust fund, and the Social Security trust fund, and the Medicare trust fund, and the list goes on and on for a large number of trust funds, in those bins where there should be money there are just IOU's, and the money is owed to the Government.

But this is an accounting problem, and, as far as accounting is concerned, and I have a little graph here which shows the problem with the Medicare account, and what it says is that starting next year we will be spending more

money than we are taking in. There is a surplus in the fund now, on paper. We have borrowed it, we need to give it back.

But this still has nothing to do with balancing the budget, and, if we keep on going the way we are now, by 2002, maybe a little earlier, maybe a little later, because you cannot be really a perfect prophet in predicting what is going to happen economically in the future, but they said under all circumstances, any circumstance they could look at it, it was going to go bankrupt, and a good guess is about 2002, and you can see here it goes through the zero line in 2002, and that would be a catastrophe that we absolutely cannot afford to happen.

So, it is very appropriate now that we step up, and, by the way, I would just like to encourage those that are on the other side of the aisle——

Mr. HOKE. Maybe I could ask a question because, if that is the case, if under all the sets of circumstances that have been, you know, examined by the Medicare trustees, and, as I understand it, three of these are Members of the President's Cabinet——

Mr. BARTLETT of Maryland. And four of them he appointed, and three are Cabinet Members; that is correct.

Mr. HOKE. So, if there is a partisan issue, I suppose you could argue that these are all Democrats and that there are not Republicans.

Mr. BARTLETT of Maryland. A majority of them at least are, yes.

Mr. HOKE. OK; so clearly this is not something that has been trumped up by the Republican Party to create some kind of a phony crisis.

Mr. BARTLETT of Maryland. That is exactly right. This is not a Republican program. It was what, April 3, that the President's trustees, the ones he appointed—he appointed four of them. Three of them are Cabinet Members, and they are the ones that in their annual report point out that we have absolutely got to do something.

Now all at once from the other side of the aisle and from many journalists this becomes a Republican problem. It is our problem, it is not a Republican problem, but it is a problem that Republicans are stepping up to, and it is a problem that those on the other side of the aisle have not been willing to step up to. They have been very willing to be the source of disseminating false information to the American people. We will have a chance to chat about that as we go on here.

Mr. HOKE. This is what I am sort of driving at. You know, it seems to me that the responsible thing to do here is look at the problem, and then posit solutions for the problem itself, ask the American people what they think, seek their advice, seek their input, which is what we have obviously been doing for some time now, have hearings on it. We have had over 10 hearings, thousands and thousands of pages of testimony. This is certainly not a problem that just started this year. Obviously we have been concerned about Medicare for some time.

□ 1800

The President has made it very clear as well, and comes up with, in terms of numbers, with proposals with respect to the actual percentage of increase, reducing the amount of the increase in Medicare that is quite similar to the numbers that we have come up with, and yet in this House, we have not heard any positive alternative plans, or even the admission that maybe there is a problem here that we ought to address.

How do you read that? Why? What is going on? Why has this become such a partisan issue?

Mr. BARTLETT of Maryland. Well, as the gentleman knows, it should not be a partisan issue. It is everybody's problem. It is my mother's problem. I am 69 years old, it is going to be my problem. But more important than that, it is my children's problem and my grandchildren's problem. Because what we are going to do if we do not do something responsible now is to require them to take care of our health care, and that just is not fair. They are going to have their own problems in spades.

Mr. Speaker, as the gentleman from Ohio pointed out, this demographic shift, which is all the baby boomers coming on board; if we think we have problems now with Medicare, just look down the road at where we are going to be when the baby boomers come on board. So we really need to be responsible now and to solve the problem now so that we can build the foundation so that we can solve the bigger problem that we are going to have when the baby boomers start coming on board. Then it is not going to be two-to-one, it is going to be a ratio of less than two-to-one.

Mr. Speaker, I just wanted to get back for a moment to nail down this budget thing. This has nothing to do with the budget. When you hear someone say that Republicans are cutting Medicare, the first untruth is we are not cutting Medicare. It is now $4,800 per recipient per year. That is going to go up 40 percent or so to $6,700 per recipient, and nobody's math is going to consider $4,800 to $6,700 a cut.

So that is the first problem with the statement. But they go on to say that Republicans are cutting Medicare, which is not true, so that they can give a tax break to the rich. That is silly. That is like the gentleman from Ohio saying that if your neighbor would stop having such expensive vacations, you could buy a new car.

Mr. Speaker, our problems with balancing the budget have absolutely nothing to do with Medicare. It has its own trust fund. There is a problem there. We have to solve the problem. Again, I would just implore those at the other end of Pennsylvania Avenue and on the other side of the aisle here to please join us.

What they are promoting is Medicare. They are trying to frighten our senior citizens. That is not fair, that is not right. We have a problem and they can do productive if they join us in trying to solve that problem.

We have been engaged now over the break and for more than a month, and in our office for much more than a month, in a continuing dialog with the American people. They now know that there is a problem, they know that they must be a part of the solution to this problem, and when they look at it honestly and face it fairly, you know, they have faced bigger problems in their lives, and if they are business people, they face bigger problems in their business.

I do not find our senior citizens frightened that we cannot solve this problem. I see some of them confused because they are getting different information. So let us just nail down the fact that this has absolutely nothing to do with balancing the budget, it is a totally separate area, totally separate problem, and then we can go on to talk about what the problem is and what we can do about it.

Mr. HOKE. Well, I would like to suggest an answer to the question that I asked I suppose rhetorically earlier, and that is why is this being portrayed the way it is by the other side of the aisle? I believe that it is because for some reason, the liberals particularly, and not all of the members of the minority party in the Congress are doing this. But there is a strident and ugly strain that is brought out on this floor every day by people who have an extraordinarily great vested interest in keeping the system the way that it is. And what you find out is that what is really going on here is that this is about politics and politics is about power.

Certain Members of the minority party in the Congress believe that this is the golden spike, this is what they need. This is the issue that is going to bring them back the House in 1996. To the extent that they are successful in confusing the public, perhaps they are right about that.

Mr. Speaker, I thought there was an extraordinarily refreshing breath of fresh air that came from, of all places, the liberal journal of record in this country, the Washington Post this year, because they recognize exactly what is going on in terms of this partisan battle, and that there is no place for it if we are in fact going to take advantage of the opportunity, which it is a small window of opportunity to fix this, to make it right and to move forward in a way that is fair to all Americans. I want to read this to you, because I think it is very instructive.

They said, and this is from just Tuesday, the day before yesterday in their lead editorial, they said, ''The Republicans are in control of the health care debate because this year they have forcefully taken the right position on the basic issue of controlling costs. The

Democrats denounced the Republicans for proposing to gut the programs, but they have no serious counterproposal. Not the Democrats in Congress, and not the President either. Last year it was they who proposed health care reform. This year they lie in the weeds. Why if the thing was urgent then is it not so now? They risk squandering for political reasons a chance to tame these programs that everyone agrees need to be tamed. They think they gain from this. We think they lose. They think it is clever, we think it is dumb. The problem for the Republicans is not that they are squeezing the health care problems, it is that they are trying to squeeze them too hard. What if,'' and it goes on, ''all the more reason for the Democrats to play a constructive part. What if they chose to help instead of using the issue to score political points?''

In the same vein, from the Wall Street Journal just yesterday morning, and this is kind of remarkable when you have the Wall Street Journal, probably the most conservative major distribution newspaper in this country and the Washington Post, the most liberal distribution newspaper in this country, agreeing.

The Wall Street Journal says:

> It is hard to tell among the fog of political war, but Republicans are about to propose their most important reform of the 104th Congress. They want to reestablish a private market for medical care for the elderly, thereby rescuing Medicare from what would otherwise be an inevitable crash. This is the ball to keep your eye on as the Medicare debate shrieks ahead amid the TV ads with tearful grandmas and reporters writing the budgetese. All the verbiage about $270 billion Medicare cuts or cuts in the growth of spending, or managed care is beltway smoke. The only way to save Medicare now is to reintroduce the very American concepts of choice in competition. Our understanding is that this is precisely the core of the GOP proposal, at least in the House. Instead of today's one-size-fits-all plan, the elderly would begin to have a choice of insurance plans, just as most younger Americans do.

Well, God bless the Washington Post and the Wall Street Journal for coming to agreement on this that, first of all, there is a real problem. Second of all, that Republicans, particularly in the House, have decided to aggressively and forthrightly and creatively and courageously come up with solutions to those problems and propose them in the light of day; and third, that it is time for the Democrats to get off of this political partisanship where they are going to try to make hay in a way that clearly has not stuck, if you look at all of the poll results, but that they should get off of that and join the debate and join with us to make and craft solutions that will genuinely benefit the American people.

Mr. BARTLETT of Maryland. Those are great editorials, and I think that they are saying what most Americans, when they have had a chance to look at the facts and think about it, what they are saying, too.

I think that it is perhaps well to look at what the problem is. We can divide our health care into four segments. They are not of equal size, as you will see, but they have very disparate percentages of increases per year. Medicaid I think is increasing at about 14, 15 percent a year. That is a government-run program. Medicare is increasing at about 10, 11 percent a year. That is a government-run program.

If we go into the private sector, the major part of the private sector, the rate is increasing there about 4.5 percent a year. Now, that is too much, that is above the inflation level, that has got to be brought down. That is a whole lot better than it was a couple of years ago, and it is a whole lot better than 14 or 15 percent. It is a whole lot better than 10.5 or 11 percent.

The fourth category I want to mention is a unique part of the private sector, and these are large corporations, large companies, that self-insure. Now, nobody is quarreling that the quality of health care has gone down in the private sector, that they have less than half the rate of increase per year as in these government-run programs. Nobody is quarreling that the quality of health care is down. It is not down in these big companies. And you know what their experience has been? Last year they had a decrease of 1.1 percent in health care costs. So this tells us what the potential is.

The article from the Wall Street Journal, that was particularly illustrative, because it points out that what our program is aiming at is to bring competition to the marketplace. There is no competition in Medicaid, there is no competition in Medicare, there is some competition, we need more, but to the extent we have competition in the private sector, and even more in these large companies that can shop around, competition has done what it always does in a free economy. It has increased the quality and it has decreased the price. So the Wall Street Journal is exactly correct. The solution to the problem, I think, is providing senior citizens options so that they can choose.

Now, two things about this that will make this more important for senior citizens than for other people: I think we are smarter than other people, because we have lived longer and we have more experience and we can trade on that experience. I do not have more time, but you know, many senior citizens are retired and they have time.

I can remember when I was in the workplace and this open season came once a year and we could change to another policy, I did not have an opportunity to look at those and study them. If I was reasonably happy with the one I was in, I stayed there. But this is not the case for senior citizens. They are very bright people, they have time, they will study, they will make great choices that are to their benefit.

What that is going to require is competition in the marketplace, because we hope we are going to make available to them a wide menu, a wide menu of plans that they can choose from. They can stay right in Medicare, by the way, if they want to. Nobody has to leave if they are happy with where they are; They can stay there. But I think many people, most of the people, will opt to go to one of the other plans which will better fit their peculiar or personal or family situation. What this is going to do is to make for competition. It is going to do for Medicare exactly what it has done in the private sector and what it has done for these large companies, and the cost of health care is going to come down.

Now, it does not even need to come down to 4.5 percent in Medicare, what is it, 6.5 percent or something, if we bring it down only that much, we are okay. I think we are kind of pessimistic. I think the senior citizens are smarter than that. I think they are going to do better than that, and I think that once they have this menu of opportunities that they are going to make great choices, the marketplace is going to respond, I think, in much less time than one would suspect, that we are going to be looking back at the Medicare problem and not looking at the Medicare problem.

Mr. HOKE. Well, let us boil it down so that the senior citizens that, Mr. Speaker, may be watching these proceedings could get a specific example, and I just want to give one. That is so that people can have a sense of exactly what will be available. For example, a 75-year-old with an average income, what are the options that will be available?

No. 1, the first option is that senior citizen can stay in the traditional Medicare program. That means no additional deductible or copayment. It means a continued 31.5 percent premium rate for the part B premium, and in other words, anybody that is in the program right now can stay in it with exactly the same benefits and the same levels and the same co-pay with no increases whatsoever except what are already scheduled. That is No. 1.

No. 2 is that they can choose a managed care option with prescription drug coverage, and this is an option that is available now to many people in the private sector and will be available to seniors.

Third, and this is the one that is most attractive to me, is that they can choose a medical savings account plan, a Medisave plan, that will offer them the protection of catastrophic umbrella coverage while giving them specific incentives to rationalize their own care in the same way that consumers rationalize the purchase of other products in our economy.

It seems to me that it is only common sense. It should be only too obvious that having these kinds of choices will be much more attractive to senior citizens.

□ 1815

Mr. BARTLETT. Absolutely. I would like to come back to the Medisave for just a moment. I had the privilege of being briefed by Pat Rooney from the Golden Rule Insurance Co., who first came up with this plan. He explained that on the basis of a person who was working for an employer, where the employer owned the policy, it is made available as a benefit to the employee. I do not think that is the best idea. I think if you owned it, then a lot of problems we now have like portability and preexisting conditions go away, and I think this is a great success. But that is an item for another discussion.

But if you took a working family at that time, where the employer paid about $4,500 a year for their health care, and imagine if he took $1,500 of that and bought a catastrophic policy with a $3,000 deductible, he now took that $3,000 and put it in an account for the employee, the employee would, anytime they thought they needed health care, they could go get it. They would not have to ask if it was covered. There was no deductible other than this $3,000 deductible, and then they brought the receipt from that and they got the money. If at the end of the year they had not spent the $3,000, it was their's.

But since it was before tax dollars, this is where the medical IRA comes from. Since it was before tax dollars, if they wanted to take it out, they would pay the usual 10-percent penalty. But they could roll it over into an IRA. It would not have to be for their retirement, it could be for their children's education, or for any purpose in the future.

It has been estimated that making the consumer a careful shopper could save up to a third of health care costs. If you think about it, MARTIN, the only thing that we shop for in our society and never ask the price of is health care. You never ask the doctor, ''Doctor, you have ordered 10 tests for me. Do I really need those 10 tests?''

If your doctor were going to be perfectly honest with you, he would say ''No, Martin, you need 4, but I need 6 of them to protect me against malpractice.'' We need to solve his problem, and we have some good legislation that starts down that road. I am not sure it has gone quite far enough. We have started down the right road, anyway, and we are hoping to solve that problem. This would be an enormous incentive to be a good shopper, and there is a benefit for being a good shopper.

Another area where I had one of our constituents who came to one of our open door sessions, who told about a Medicare billing for his mother for the 2 months after she was dead. These were just for drugs for her. But he is a very responsible citizen, Mr. Hardy from up in Allegany County, up in Maryland, and he went to the hospital to find out why that happened.

Well, very few people do what Mr. Hardy did. He got it corrected, and there are three other nursing homes, four other nursing homes, that are now not using the billing service that that nursing home was using. So he really solved the problem. But very few of our people have his commitment.

Mr. HOKE. You are absolutely right. I will give you two examples where the insurance industry has not really taken over payment of bills that are medically related, so you do not have third party payment, you actually have the consumer directly involved. Those two areas are dental and optical. And I will just give the optical example.

What happened there is really quite instructive and very impressive in terms of what a free market can do. You found two things: No. 1 is that the number of choices in and the avenues that Americans have with respect to getting eye care and eye wear are really quite varied. You can go to an optometrist, and optician, or you can go to an ophthalmologist. There are three levels of care and training. All of those are available, and three different prices.

You can go to almost any mall in this country and have a pair of glasses made in an afternoon. The price of glasses has on an inflation-adjusted basis remained flat for several decades. The price of contact lenses has dropped dramatically over that same period of time.

This is an area that has not been picked up by and large as a benefit because clearly it does not have really any insurance function. The truth is that insurance is supposed to protect people against catastrophic losses due to unforeseen circumstances.

But that is not what our health insurance does. What our health insurance does is it is actually a prepaid health care plan. It is though we were paying insurance for oil changes and brake relinings and realignments and things like that, things that we know will go wrong with a car we would never insure against. The kind of routine things that need to be done medically that we can predict are also not really appropriate for insurance. But the fact is that because we, that is, the U.S. Congress, had made it much more advantageous to purchase insurance, because you do that with pretax dollars as opposed to buying health care which you do with after tax dollars, because of that we have encouraged this tremendous growth of health care insurance in this country. That really is at the very, very basis of the problem that we face today.

I see that our time is about expired. I need to catch a flight. But if you want to take some additional time, I think we can do that under the leader's rule for the leader's hour. I know we can. Would you like to do that?

Mr. BARTLETT of Maryland. MARTIN, I am happy to chat for a little more with the American people about Medicare. MARTIN just mentioned a very significant thing, and that is when competition came in, prices came down. He was mentioning the optical and the eyeglasses and so forth. This is exactly the kind of thing that is going to happen in health care if we give it a chance.

I want to mention before we quit, MARTIN, one other thing you brought up. You mentioned health care and you mentioned sick care. We euphemistically call what we have in this country a health care system. Most of it is a sick care system, is it not, if you think about it.

What we need is the philosophy and kind of insurance that moves people to genuine health care. It is like a warranty on your car, but they do not care whether you put oil in it or not.

I do not understand why the insurance companies would not insist that we have a physical every year, because that is kind of the equivalent of putting oil in your car, and they would detect problems. There are old adages like ''a stitch in time saves nine'' and ''an ounce of prevention is worth a pound of cure.'' We seem to have forgotten all of those things in health care.

By the way, sometimes when we have another opportunity, it would be very fruitful to talk about how we got here. How in the world did we ever get in a country which has been the envy of the world for our economic prowess, largely because we have a free market economy with competition, how did we ever get here, when we have essentially no competition with health care?

Just to whet your appetite, the villain here is where the villain usually is when our country has problems, the Federal Government.

Mr. HOKE. I thank you for coming down to the floor and joining me on this. I look forward to that discussion.

Mr. BARTLETT of Maryland. We will meet again and have a further discussion.

CONFERENCE REPORT ON H.R. 1817

Mrs. VUCANOVICH submitted the following conference report and statement on the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes:

CONFERENCE REPORT (H. REPT. 104–247)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1817) ''making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes,'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 4, 14, 15, 19, 30, 35, 36, 37, 43, 44, 45, 47, 48, and 49.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 7, 10, 12, 18, 22, 38, 39, 40, 41, and 42, and agree to the same.

Amendment numbered 2:

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

In lieu of the sum proposed by said amendment, insert: *$633,814,000*; and the Senate agree to the same.

Amendment numbered 5:

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

In lieu of the sum proposed by said amendment, insert: *$554,636,000*; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$50,477,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$587,234,000*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$26,594,000*; and the Senate agree to the same.

Amendment numbered 11:

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

In lieu of the sum proposed by said amendment, insert: *$6,000,000*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$640,357,000*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided further, That of the funds appropriated for ''Military Construction, Defense Agencies'' under Public Law 102–136, $6,800,000 is hereby rescinded*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided further, That of the funds appropriated for ''Military Construction, Defense Agencies'' under Public Law 102–380, $8,590,000 is hereby rescinded*; and the Senate agree to the same.

Amendment numbered 20:

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

In lieu of the sum proposed by said amendment, insert: *$137,110,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$171,272,000*; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$72,728,000*; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$19,055,000*; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$36,482,000*; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$116,656,000*; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,335,596,000*; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,452,252,000*; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$525,058,000*; and the Senate agree to the same.

Amendment numbered 31:

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

In lieu of the sum proposed by said amendment, insert: *$1,573,387,000*; and the Senate agree to the same.

Amendment number 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$297,738,000*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$849,213,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,146,951,000*; and the Senate agree to the same.

Amendment numbered 46:

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

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

SEC. 123. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, amounts may be transferred from the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Act of 1966 (42 U.S.C. 3374) to pay for expenses associated with the Homeowners Assistance Program. Any amounts transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

And on page 5, after 6 of the House engrossed bill, H.R. 1817, insert the heading: *(Including Rescission)*

And on page 9, line 24 of the House engrossed bill, H.R. 1817, after the word ''restoration'' insert: *, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor*

And on page 10, line 9 of the House engrossed bill, H.R. 1817, after the word ''restoration'' inset: *unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor* ; and the Senate agree to the same.

BARBARA F. VUCANOVICH,
SONNY CALLAHAN,
JOSEPH M. MCDADE,
JOHN T. MYERS,
JOHN EDWARD PORTER,
ERNEST J. ISTOOK, Jr.,
ROGER F. WICKER,
BOB LIVINGSTON,
W.G. (BILL) HEFNER,
THOMAS M. FOGLIETTA,
PETER J. VISCLOSKY,
ESTEBAN EDWARD TORRES,
Managers on the Part of the House.

CONRAD BURNS,
TED STEVENS,
RICHARD C. SHELBY,
JUDD GREGG,
HARRY REID,
DANIEL K. INOUYE,
ROBERT C. BYRD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

ITEMS OF GENERAL INTEREST

Matters Addressed by Only One Committee.—The language and allocations set forth in

House Report 104–137 and Senate Report 104–116 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or the Senate have directed the submission of a report from the Department of Defense, such report is to be submitted to both House and Senate Committees on Appropriations.

Troop Housing.—Prior to the award of any fiscal year 1996 troop housing project, the Department is directed to provide a report to the Committees on Appropriations describing the accepted barracks standard, the exceptions where that standard will not apply, the long-term plan to achieve the standard, and the cost implications of doing so. The long-term plan should identify the eligible population by location, number of spaces requiring upgrade, and the current barracks situation at that location. If the current ''2 plus 2'' standard is revised, the conferees direct that the report contain a cost comparison between the ''2 plus 2'' and the revised standard.

In addition, prior to the obligation of any fiscal year 1996 troop housing project, the Service Secretary is to certify to the Committees on Appropriations that new construction is warranted over renovation for each individual project.

Base Realignment and Closure.—The conferees have recommended full funding for military construction and family housing projects as requested for the Base Realignment and Closure accounts. The conferees believe that Congress needs to be advised of any programmatic changes involving the construction of projects. For this reason, any transfer of funds for construction projects, which deviate from the listing provided in House Report 104–137, shall be treated like any other reprogramming within the military construction appropriation.

Base Realignment and Closure, Part IV.—The conference agreement provides the budget request of $784,569,000 for Base Realignment and Closure, Part IV. To date, the Department has not indicated how these funds will be distributed except that a portion of the funds will be used for site surveys and for planning and design. Therefore, the conferees direct that no funds be obligated except for site surveys, environmental baseline surveys, environmental analysis under the National Environmental Policy Act, and for planning and design until the Committees on Appropriations have been provided with a five year program for executing the 1995 base realignment and closure plan with justifications (Form 1391) for fiscal year 1996 funds.

Relocation of Southern Command.—In response to a House requirement, the Army has reported on its plans to relocate the Southern Command from Panama to Dade County, Florida. Approximately 700 military personnel and families will be relocated. The conferees are interested in the Army's plans for supporting the quality of life for these personnel. Therefore, the conferees direct the Army to provide a detailed plan which will address its program to provide relocated personnel with: affordable housing; medical and dental support; and morale, welfare, and recreation facilities. This plan shall be provided and approved by the appropriate Committees before the execution of this move.

Southwest Asia Prepositioning.—The conferees support the requirement for prepositioning in this region and recognize that valid requirements remain after Operation Desert Storm. However, the conferees direct that all future funding of prepositioning in this area be provided through expanded contributions from our allies located in the region.

Chemical Demilitarization.—The conferees agree to defer consideration of funding for requested projects at Pine Bluff Arsenal, Arkansas, and at Umatilla Depot, Oregon, without prejudice. The conferees agree to provide $13,000,000, as requested, for planning and design of Chemical Demilitarization facilities, so this important program shall proceed.

Medical Facilities.—The conferees agree with the current arrangement whereby the Defense Medical Facilities Office is responsible for centralized planning and budgeting for medical facilities. However, there is concern that the individual military services should conduct rigorous reviews of these projects. Therefore, the conferees direct the Service Secretary of jurisdiction to submit a separate certification, at the time of the budget submission, to the Committees on Appropriations stating concurrence with the cost and scope of medical projects budgeted by the Defense Medical Facilities Office which exceed $50,000,000.

Family Housing Construction.—The conferees believe that private industry, volume single-family home builders that build moderate-sized homes from standardized plans may provide a low cost, efficient method of providing military family housing. Therefore, the Department is directed to report to the Committees on Appropriations by February 1, 1996, on steps taken to utilize such volume home builders who have broad geographical experience to address family housing needs.

The conferees also encourage the Department to initiate a demonstration project utilizing a volume single-family home builder to construct family housing at an installation designated for funding in fiscal year 1996.

Special Operations Forces.—The conferees have included funding for a barracks project for Special Operations Forces under the ''Military Construction, Defense-Wide'' account. The conferees agree that this type of common support facility should be provided by the military departments in furtherance of their support responsibilities to special operations forces. Therefore, the conferees will expect the Services to budget for such common support facilities in the future, and will expect the Special Operations Command to continue to budget for operations, training and equipment maintenance and storage facility requirements.

Establishment of Audit Trail Documents.—The conferees support the establishment of audit trail documents as stated in House Report 104–137. In addition, it is the conferees intent that all military construction and family housing projects funded under the Base Realignment and Closure accounts shall be included in the audit trail documents.

Rescissions.—The conferees recommend a total of $38,986,000 in rescissions of prior-year appropriations for the military services and defense agencies, rather than a total of $55,705,000 as proposed by the Senate. The rescissions recommended in the bill include the following projects which have contract savings or which were previously approved and now are no longer needed:

Air Force 1992–1996:	
Alaska—Eareckson AFB (formerly Shemya AFB): Air Freight Terminal	$2,765,000
Air Force 1992:	
Florida—Homestead AFB: Airfield Operations	6,000,000
Defense Agencies 1992–1996:	
California—Defense Language Institute, Monterey: Instruction Building	6,000,000
Unspecified Worldwide Locations: Contingency Construction	800,000
Defense Agencies 1993–1997:	
Classified Location—SOUTHWESTER	3,590,000
Unspecified Worldwide Locations: Contingency Construction	5,000,000
Defense-Wide 1994–1998:	
Unspecified Worldwide Locations: Contingency Construction	8,131,000
Air National Guard 1994–1998:	
Idaho—Gowen Field: Idaho Training Range	6,700,000

MILITARY CONSTRUCTION, ARMY

Amendment No. 1

Deletes the center heading ''(Including Rescissions)'' as proposed by the Senate.

Amendment No. 2

Appropriates $633,814,000 for Military Construction, Army instead of $611,608,000 as proposed by the House and $496,664,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

North Carolina—Fort Bragg: Land Acquisition.—The FY 1994 Military Construction Appropriations bill appropriated $15,000,000 for the acquisition of the Overhills land tract located adjacent to Fort Bragg in North Carolina. This land is necessary for training and maneuver space by the U.S. Army. Because of delays in the release of the funds by the Office of the Secretary of Defense, there is concern that the appraisal value of the property may be more than the appropriated amount. Appraisals are due to be completed by early December 1995. In the event the appraisal exceeds the amount appropriated, the conferees, recognizing the importance of this tract of land to the Army operations at Fort Bragg, would entertain a reprogramming request to complete the acquisition in a timely manner.

Amendment No. 3

Earmarks $44,034,000 for study, planning, design, architect and engineer services as proposed by the Senate instead of $50,778,000 as proposed by the House.

The following project is to be designed within amounts provided for planning and design:

Hawaii—Pohakuloa Training Site: Road Improvement	$2,000,000

Amendment No. 4

Deletes a provision proposed by the Senate which would rescind $6,245,000 in funds appropriated for ''Military Construction, Army'' under Public Law 102–143.

MILITARY CONSTRUCTION, NAVY

Amendment No. 5

Appropriates $554,636,000 for Military Construction, Navy instead of $588,243,000 as proposed by the House and $542,186,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Maryland-Naval Air Warfare Center, Patuxent River: Large Anechoic Chamber.—The conferees continue to enthusiastically support construction of the Large Anechoic Chamber

at Naval Air Warfare Center, Patuxent River, Maryland. This facility will provide DOD with essential and unique capabilities needed for the secure testing of highly integrated air combat systems of the future. The conferees are concerned with the delays in commencing construction on this project and encourage the Department to provide the essential core capability envisioned in the original project authorization by constructing a complete and usable anechoic chamber utilizing a combination of the current Military Construction appropriation and other appropriations as necessary. This phased approach in no way diminishes the conferee's support for the additional features of the project and the conferees direct the Department to design the project with the original features planned for the chamber.

Virginia-Hampton Roads: Land Acquisition.—The conferees are aware of the Navy's interest in acquiring land adjacent to the naval base in the Hampton Roads, Virginia area to be used for relocation of security points and improved access to the base. Should authorization be granted for this acquisition, the Navy is directed to make every attempt possible to acquire both the land acquisition at the Fleet Combat Training Center, Dam Neck, Virginia and the Hampton Roads area within the $4,500,000 previously appropriated for the Fleet Combat Training Center acquisition. In the event additional funds are required, established cost variation/reprogramming procedures shall be utilized to consummate the acquisitions.

Amendment No. 6

Earmarks $50,477,000 for study, planning, design, architect and engineer services instead of $66,184,000 as proposed by the House and $49,477,000 as proposed by the Senate.

The following projects are to be designed within the amounts provided for planning and design:

Nevada-NAS Fallon:	
Child Development Center	$150,000
Galley	50,000
BEQ	1,200,000

MILITARY CONSTRUCTION, AIR FORCE

Amendment No. 7

Inserts the center heading ''(Including Rescissions)'' as proposed by the Senate.

Amendment No. 8

Appropriates $587,234,000 for Military Construction, Air Force instead of $578,841,000 as proposed by the House and $532,616,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

North Carolina-Pope AFB: Runway Extension.—The conferees understand the Air Force has been reviewing the need to extend the runway at Pope Air Force Base to meet operational requirements. The Air Force is directed to report to the Committees on Appropriations by March 1, 1996, on its plans for the runway extension and any additional land acquisition which would be required.

Amendment No. 9

Earmarks $26,594,000 for study, planning, design, architect and engineer services instead of $49,021,000 as proposed by the House and $23,894,000 as proposed by the Senate.

The following project is to be designed within the amounts provided for planning and design:

Alaska-Elmendorf AFB: C–130 Operations and Maintenance Facility	$2,700,000

Amendment No. 10

Inserts a provision proposed by the Senate which would rescind $2,765,000 in funds appropriated for ''Military Construction, Air Force'' under Public Law 102–136.

Amendment No. 11

Inserts a provision which would rescind $6,000,000 appropriated for ''Military Construction, Air Force'' under Public Law 102–368, rather than $13,240,000 as proposed by the Senate.

MILITARY CONSTRUCTION, DEFENSE-WIDE

Amendment No. 12

Inserts the words ''And Rescissions'' in the center heading as proposed by the Senate.

Amendment No. 13

Appropriates $640,357,000 for Military Construction, Defense-Wide instead of $728,332,000 as proposed by the House and $818,078,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Amendment No. 14

Earmarks $68,837,000 for study, planning, design, architect and engineer services as proposed by the House instead of $83,992,000 as proposed by the Senate.

The following projects are to be designed within the amounts provided for planning and design:

Alabama-Redstone Arsenal: MSIC Facility	$1,500,000
Alaska-Elmendorf AFB: Fuel Tanks	1,300,000
Alaska-Fort Wainwright: Bassett Hospital	10,355,000

Amendment No. 15

Deletes a provision proposed by the Senate which would rescind $3,234,000 appropriated for ''Military Construction, Defense-Wide'' under Public Law 101–519.

Amendment No. 16

Inserts a provision proposed by the Senate which would rescind $6,800,000 appropriated for ''Military Construction, Defense-Wide'' under Public Law 102–136, amended to correct the account title to ''Military Construction, Defense Agencies''.

Amendment No. 17

Inserts a provision proposed by the Senate which would rescind $8,590,000 appropriated for ''Military Construction, Defense-Wide'' under Public Law 102–380, amended to correct the account title to ''Military Construction, Defense Agencies''.

Amendment No. 18

Inserts a provision proposed by the Senate which would rescind $8,131,000 appropriated for ''Military Construction, Defense-Wide'' under Public Law 103–110.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Amendment No. 19

Deletes the center heading ''(Including Rescissions)'' as proposed by the Senate.

Amendment No. 20

Appropriates $137,110,000 for Military Construction, Army National Guard instead of $72,537,000 as proposed by the House and $93,121,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

The following projects are to be designed within the amounts provided for planning and design:

Hawaii-Barbers Point: Headquarters Complex	$2,800,000
Montana-Billings: Army Forces Reserve Center	1,200,000

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Amendment No. 21

Appropriates $171,272,000 for Military Construction, Air National Guard instead of $118,267,000 as proposed by the House and $134,422,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Amendment No. 22

Inserts a provision proposed by the Senate which would rescind $6,700,000 appropriated for ''Military Construction, Air National Guard'' under Public Law 103–110.

The following project is to be designed within the amounts provided for planning and design:

Hawaii-Hickam AFB: Squadron Operations Facility	$790,000

MILITARY CONSTRUCTION, ARMY RESERVE

Amendment No. 23

Appropriates $72,728,000 for Military Construction, Army Reserve instead of $42,963,000 as proposed by the House and $48,141,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

MILITARY CONSTRUCTION, NAVAL RESERVE

Amendment No. 24

Appropriates $19,055,000 for Military Construction, Naval Reserve instead of $19,655,000 as proposed by the House and $7,920,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

California-Pasadena: Marine Corps Reserve Center.—The Marine Corps Reserve Center in Pasadena, California, is in need of significant repair and renovation work. The conferees expect the Marine Corps Reserve to proceed with either repair and renovation of facilities at the existing site, or with demolition of existing facilities and construction of replacement facilities at the existing site. The conferees direct the Department to submit a report to the Committees on Appropriations by January 15, 1996, on its plan of action.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

Amendment No. 25

Appropriates $36,482,000 for Military Construction, Air Force Reserve instead of $31,502,000 as proposed by the House and $32,297,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

FAMILY HOUSING, ARMY

Amendment No. 26

Appropriates $116,656,000 for Construction, Family Housing, Army instead of $126,400,000 as proposed by the House and $71,752,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Amendment No. 27

Appropriates $1,335,596,000 for Operation and Maintenance, Family Housing, Army instead of $1,337,596,000 as proposed by the House and $1,339,196,000 as proposed by the Senate.

Amendment No. 28

The conference agreement appropriates a total of $1,452,252,000 for Family Housing, Army instead of $1,463,996,000 as proposed by the House and $1,410,948,000 as proposed by the Senate. This sum is derived from the conference agreement on amendments numbered 26 and 27.

CONSTRUCTION IMPROVEMENTS

The following projects are to be accomplished within the amount provided for construction improvements:

Alaska-Fort Wainwright (44 units)	$7,300,000
North Carolina-Fort Bragg (96 units)	10,000,000

FAMILY HOUSING, NAVY AND MARINE CORPS

Amendment No. 29

Appropriates $525,058,000 for Construction, Family Housing, Navy instead of $531,289,000 as proposed by the House and $504,467,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed in the table at the end of this report.

Amendment No. 30

Appropriates $1,048,329,000 for Operation and Maintenance, Family Housing, Navy as proposed by the House instead of $1,051,929,000 as proposed by the Senate.

Amendment No. 31

The conference agreement appropriates a total of $1,573,387,000 for Family Housing, Navy instead of $1,579,618,000 as proposed by the House and $1,556,396,000 as proposed by the Senate. This sum is derived from the conference agreement on amendments numbered 29 and 30.

CONSTRUCTION IMPROVEMENTS

The following projects are to be accomplished within the amount provided for construction improvements:

Florida-Mayport (200 Units)	$7,300,000
Illinois-Great Lakes (150 Units)	15,300,000
Rhode Island-Newport (64 Units)	8,795,000
South Carolina-Beaufort (176 Units)	6,784,000
Washington-Bangor (141 Units)	4,890,000

FAMILY HOUSING, AIR FORCE

Amendment No. 32

Appropriates $297,738,000 for Construction, Family Housing, Air Force instead of $294,503,000 as proposed by the House and $261,137,000 as proposed by the Senate. Funding for specific projects agreed to by the conferees is displayed at the table in the end of this report.

Texas-Laughlin AFB: Capehart Military Housing.—The Air Force is directed to include in its fiscal year 1997 budget request the necessary funds for the final phase (60 units) of construction improvements to the Capehart housing at Laughlin AFB.

Amendment No. 33

Appropriates $849,213,000 for Operation and Maintenance, Family Housing, Air Force instead of $863,213,000 as proposed by the House and $850,059,000 as proposed by the Senate.

Amendment No. 34

The conference agreement appropriates a total of $1,146,951,000 for Family Housing, Air Force instead of $1,150,730,000 as proposed by the House and $1,111,196,000 as proposed by the Senate. This sum is derived from the conference agreement on amendments numbered 32 and 33.

CONSTRUCTION IMPROVEMENTS

The following project is to be accomplished within the amount provided for construction improvements:

Ohio-Wright Patterson AFB (66 Units)	$5,900,000

FAMILY HOUSING, DEFENSE-WIDE

Amendment No. 35

Appropriates $30,467,000 for Operation and Maintenance, Family Housing, Defense-Wide as proposed by the House instead of $42,367,000 as proposed by the Senate.

Amendment No. 36

The conference agreement appropriates a total of $34,239,000 for Family Housing, Defense-Wide as proposed by the House instead of $46,139,000 as proposed by the Senate.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

Amendment No. 37

The conference agreement deletes the words ''September 30, 2000'' as proposed by the Senate, and restores the word ''expended'' as proposed by the House, permitting funds appropriated under this account to remain available until expended. This conforms with the authorization.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

Amendment No. 38

Establishes a ceiling of $325,800,000 for environmental restoration as proposed by the Senate instead of $224,800,000 as proposed by the House.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

Amendment No. 39

Establishes a ceiling of $236,700,000 for environmental restoration as proposed by the Senate instead of $232,300,000 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 40

Adds the words ''countries bordering'' as proposed by the Senate amendment. The House bill establishes a threshold for American preference of $500,000 relating to architect and engineer service in Japan, in any NATO member country, and in the Arabian Gulf. The Senate bill inserts the words ''countries bordering'' in reference to the Arabian Gulf.

Amendment No. 41

Adds the words ''countries bordering'' as proposed by the Senate amendment. The House bill establishes a preference for American contractors for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in the Arabian Gulf. The Senate bill inserts the words ''countries bordering'' in reference to the Arabian Gulf.

Amendment No. 42

Deletes the word ''in'' and inserts the word ''bordering'' as proposed by the Senate amendment. The House bill directs the Secretary of Defense to report annually regarding the specific actions to be taken during the current fiscal year to encourage other member nations of NATO, Japan, Korea and the United States allies in the Arabian Gulf to assume a greater share of the common defense burden. The Senate bill deletes the word ''in'' and inserts the word ''bordering'' in reference to the Arabian Gulf.

Amendment No. 43

Restores a provision proposed by the House and stricken by the Senate which would prohibit the expenditure of funds except in compliance with the Buy American Act.

Amendment No. 44

Restores a provision proposed by the House and stricken by the Senate which states the Sense of the Congress notifying recipients of equipment or products authorized to be purchased with financial assistance provided in this Act to purchase American-made equipment and products.

Amendment No. 45

Restores the center heading ''(Transfer of Funds)'' as proposed by the House and stricken by the Senate.

Amendment No. 46

Restores language proposed by the House and stricken by the Senate, amended to permit the transfer of funds from the Base Realignment and Closure accounts into the Homeowners Assistance Fund. The House bill contained language which would permit the transfer of funds among the Homeowners Assistance Fund and the Base Realignment and Closure accounts.

In addition, language is included, which was not contained in either the House or Senate bills, to insert the heading ''(Including Rescissions)'' under Military Construction, Air National Guard.

The conference agreement also inserts language which maintains a ceiling on environmental restoration under the Base Realignment and Closure Accounts for Part II and Part III, unless the Secretary of Defense determines additional obligations are necessary, notifies the Committees on Appropriations of his determination and the necessary reasons for the increase. This language was not contained in either the House or Senate bills. The conferees direct that any exercise of this authority shall fall under the standing procedures for approval of reprogramming requests.

Amendment No. 47

Restores language proposed by the House and stricken by the Senate which directs the Army to use George AFB as the interim airhead for the National Training Center at Fort Irwin until Barstow-Daggett reaches Initial Operational Capability as the permanent airhead.

Amendment No. 48

Restores language proposed by the House and stricken by the Senate regarding the conveyance of certain parcels of land at Fort Sheridan, Illinois, and deletes language proposed by the Senate regarding the renovation of the Pentagon Reservation.

Amendment No. 49

Deletes language proposed by the Senate appropriating an additional $228,098,000 among ten separate accounts contained in the bill. These sums were reconciled in the disposition of the individual accounts.

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ALABAMA				
ARMY				
REDSTONE ARSENAL				
HYPERVELOCITY BALLISTIC RANGE FACILITY	---	5,000	---	5,000
FORT RUCKER				
AMMUNITION SUPPLY POINT	---	5,900	---	5,900
AIR FORCE				
MAXWELL AFB				
CHILD DEVELOPMENT CENTER COMPLEX	3,700	3,700	3,700	3,700
COMPUTER SOFTWARE FACILITY	---	---	1,500	1,500
DEFENSE-WIDE				
DEF DISTRIBUTION ANNISTON (DDAA)				
VEHICLE STORAGE SHELTER (DBOF)	3,550	3,550	3,550	3,550
MAXWELL AFB				
ADD/ALTER MAXWELL ELEMENTARY SCHOOL	5,479	5,479	5,479	5,479
AMBULATORY HEALTHCARE CENTER (PHASE I)	---	---	10,000	10,000
AIR NATIONAL GUARD				
BIRMINGHAM MAP				
ALTER KC-135 AIRCRAFT SHOPS	4,400	4,400	4,400	4,400
DANNELLY FIELD				
FIRE STATION	1,445	1,445	1,445	1,445
ARMY RESERVE				
JASPER				
ADD/ALTER USARC/OMS/AMSA	2,500	2,500	2,500	2,500
AIR FORCE RESERVE				
MAXWELL AFB				
COMPOSITE MAINTENANCE SHOPS	3,608	3,608	3,608	3,608
TOTAL, ALABAMA	24,682	35,582	36,182	47,082
ALASKA				
AIR FORCE				
EIELSON AFB				
ALTER DORMITORY	3,850	3,850	3,850	3,850
BOILER REHABILITATION	---	---	4,000	4,000
ELMENDORF AFB				
MILSTAR COMMUNICATIONS GROUND TERMINAL	850	850	850	850
REPAIR AIRFIELD TAXIWAY	900	900	900	900
VISITING OFFICERS QUARTERS	7,350	7,350	7,350	7,350
TIN CITY				
ABOVE GROUND FUEL TANKS	2,500	2,500	2,500	2,500
DEFENSE-WIDE				
ELMENDORF AIR FORCE BASE				
HOSPITAL REPLACEMENT (PHASE IV)	28,100	28,100	28,100	28,100
ARMY RESERVE				
FORT WAINWRIGHT				
USARC/OMS/STORAGE	4,779	4,779	4,779	4,779
AIR NATIONAL GUARD				
EIELSON AFB				
BASE ENGINEERING MAINTENANCE FACILITY	---	---	4,400	4,400

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIRCRAFT ENGINE SHOP	---	---	2,550	2,550
TOTAL, ALASKA	48,329	48,329	59,279	59,279
ARIZONA				
ARMY				
FORT HUACHUCA				
CHILD DEVELOPMENT CENTER	---	2,550	---	---
WHOLE BARRACKS COMPLEX RENEWAL	16,000	16,000	16,000	16,000
AIR FORCE				
DAVIS-MONTHAN AFB				
ALTER AIRCRAFT CORROSION CONTROL FACILITY	1,000	1,000	1,000	1,000
DORMITORY	3,800	3,800	3,800	3,800
LUKE AFB				
DORMITORY	5,200	5,200	5,200	5,200
DEFENSE-WIDE				
LUKE AIR FORCE BASE				
ADD/ALTER HOSPITAL LIFE SAFETY UPGRADE	8,100	8,100	8,100	8,100
ARMY NATIONAL GUARD				
PAPAGO MILITARY RESERVATION (PHOENIX)				
MEDICAL FACILITY	---	1,084	---	1,084
AIR NATIONAL GUARD				
TUCSON IAP				
ADD/ALTER AIRCRAFT SPT EQUIPMENT SHOP	600	600	600	600
TOTAL, ARIZONA	34,700	38,334	34,700	35,784
ARKANSAS				
AIR FORCE				
LITTLE ROCK AFB				
UPGRADE SANITARY SEWER SYSTEM	2,500	2,500	2,500	2,500
DEFENSE-WIDE				
PINE BLUFF ARSENAL				
AMMUNITION DEMILITARIZATION FAC (PHASE II)	40,000	40,000	---	---
ARMY NATIONAL GUARD				
CAMP ROBINSON				
MILITARY OPS IN URBAN TERRAIN FACILITY	---	---	2,853	---
AIR NATIONAL GUARD				
LITTLE ROCK AFB				
BASE SUPPLY COMPLEX	---	---	4,800	4,800
TOTAL, ARKANSAS	42,500	42,500	10,153	7,300
CALIFORNIA				
ARMY				
FORT IRWIN				
CONSOLIDATED MAINTENANCE FACILITY	15,500	15,500	15,500	15,500
FORT IRWIN (BARSTOW-DAGGETT)				
NATIONAL TRAINING CENTER AIRFIELD (PHASE II)	---	10,000	---	10,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
PRESIDIO OF SAN FRANCISCO				
REGIONAL SEWER SYSTEM	3,000	---	3,000	3,000
NAVY				
CAMP PENDLETON MARINE CORPS BASE				
BACHELOR ENLISTED QUARTERS	11,940	11,940	11,940	11,940
CHILD DEVELOPMENT CENTER	3,000	3,000	3,000	3,000
MULTI-PURPOSE MACHINE GUN RANGE	3,800	3,800	3,800	3,800
PHYSICAL FITNESS CENTER	4,100	4,100	4,100	4,100
SENSITIVE COMPARTMENTED INFO FACILITY ADD	2,246	2,246	2,246	2,246
TACTICAL VEHICLE MAINTENANCE FACILITY	1,088	1,088	1,088	1,088
WATER DISTRIBUTION SYSTEM	1,410	1,410	1,410	1,410
CHINA LAKE NAVAL AIR WARFARE CTR WPNS DIV				
INDUSTRIAL WASTEWATER COLLECT/TRTMNT FAC (DBOF)	3,700	3,700	3,700	3,700
LEMOORE NAVAL AIR STATION				
JET ENGINE TEST CELL	7,600	7,600	7,600	7,600
NORTH ISLAND NAVAL AIR STATION				
BERTHING WHARF	56,650	56,650	56,650	56,650
CONTROLLED INDUSTRIAL FACILITY	42,500	42,500	42,500	42,500
PORT HUENEME				
BACHELOR ENLISTED QUARTERS (PHASE I)	---	16,700	---	9,000
PT MUGU NAVAL AIR WARFARE CTR WPNS DIV				
CHILD DEVELOPMENT CENTER (DBOF)	1,300	1,300	1,300	1,300
SAN DIEGO NAVAL STATION				
OILY WASTE COLLECTION AND TREATMENT FACILITY	19,960	19,960	19,960	19,960
SAN DIEGO NAV CMD CTRL AND OCEAN SUR CEN RDTE DIV				
TEST FACILITY DEMOLITION	3,170	3,170	3,170	3,170
TWENTYNINE PALMS MARCORP AIR-GRND COMB CTR				
INFANTRY SQUAD BATTLE COURSE	2,490	2,490	2,490	2,490
AIR FORCE				
BEALE AFB				
LANDFILL CLOSURE	7,500	7,500	7,500	7,500
EDWARDS AFB				
ADD/ALTER ANECHOIC CHAMBER	11,100	11,100	11,100	11,100
DORMITORY	10,600	10,600	10,600	10,600
ADD/ALTER F-22 ENGINEERING TEST FACILITY	12,100	12,100	12,100	12,100
TRAVIS AFB				
DORMITORIES	10,500	10,500	10,500	10,500
DORMITORY	6,400	6,400	6,400	6,400
KC-10 ADD TO FLIGHT SIMULATOR FACILITY	2,400	2,400	2,400	2,400
SQUADRON OPERATIONS/AIRCRAFT MAINTENANCE UNIT	7,400	7,400	7,400	7,400
VANDENBERG AFB				
FIRE STATION	2,000	2,000	2,000	2,000
SLFI - CHEMICAL TEST AND ANALYSIS LABORATORY	4,000	4,000	4,000	4,000
DEFENSE-WIDE				
CAMP PENDLETON MARINE CORPS BASE				
ENVIRONMENTAL HEALTH/INDUSTIAL HYGIENE	1,700	1,700	1,700	1,700
SOF TRAINING COMPLEX	5,200	5,200	5,200	5,200
DEF DISTRIBUTION STOCKTON - DDJC				
GENERAL PURPOSE WHSE REPLACEMENT (DBOF)	15,000	15,000	15,000	15,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
DFSC POINT MUGU				
FUEL STORAGE (DBOF)	750	750	750	750
FORT IRWIN				
AMBULATORY HEALTHCARE CLINIC	6,900	6,900	6,900	6,900
VANDENBERG AIR FORCE BASE				
LIFE SAFETY/SEISMIC/UTILITY UPGRADE	5,700	5,700	5,700	5,700
AIR NATIONAL GUARD				
SEPULVEDA ANGS (VAN NUYS)				
SUPPLY AND CIVIL ENGINEER COMPLEX	---	1,800	---	1,800
SEPULVEDA ANG ANNEX				
REPLACE UNDERGROUND FUEL STORAGE TANKS	320	320	320	320
ARMY RESERVE				
CAMP PARKS				
BATTLE PROJECTION CENTER	5,868	5,868	5,868	5,868
AIR FORCE RESERVE				
MARCH AFB				
FIRE TRAINING FACILITY	1,550	1,550	1,550	1,550
TOTAL, CALIFORNIA	300,442	325,942	300,442	321,242
COLORADO				
ARMY				
FORT CARSON				
SANITARY SEWER SYSTEM	1,750	1,750	1,750	1,750
SEWAGE TREATMENT PLANT	9,100	9,100	9,100	9,100
WHOLE BARRACKS RENEWAL (PHASE I)	---	20,000	---	20,000
AIR FORCE				
BUCKLEY ANG BASE				
TROOP SUPPORT FACILITIES	5,500	5,500	5,500	5,500
PETERSON AFB				
ADD/ALTER DORMITORY	3,000	3,000	3,000	3,000
FIRE STATION	1,390	1,390	1,390	1,390
US AIR FORCE ACADEMY				
CHILD DEVELOPMENT CENTER	4,200	4,200	4,200	4,200
SAILPLANE HANGAR	3,724	3,724	---	3,724
UPGRADE FACILITIES HEATING SYSTEM	4,950	4,950	4,950	4,950
AIR NATIONAL GUARD				
BUCKLEY ANGB				
BASE ENGINEER PAVEMENTS AND GROUNDS FACILITY	450	450	450	450
UPGRADE HEATING SYSTEMS	950	950	950	950
AIR FORCE RESERVE				
PETERSON AFB				
COMPOSITE MAINTENANCE FACILITY	---	---	3,150	---
TOTAL, COLORADO	35,014	55,014	34,440	55,014
DELAWARE				
AIR FORCE				
DOVER AFB				
C-5 SQD OPERATIONS/ACFT MAINT (DBOF)	5,500	5,500	5,500	5,500

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
DEFENSE-WIDE				
DFSC DOVER AFB				
REPLACE HYDRANT FUEL SYSTEM (DBOF)	15,554	15,554	15,554	15,554
DOVER AIR FORCE BASE				
LIFE SAFETY UPGRADE	4,400	4,400	4,400	4,400
AIR NATIONAL GUARD				
NEW CASTLE AIRPORT				
FIRE STATION	---	---	2,300	---
TOTAL, DELAWARE	25,454	25,454	27,754	25,454
DISTRICT OF COLUMBIA				
ARMY				
FORT LESLEY J MCNAIR				
NATIONAL DEFENSE UNIV FAC RENOVATION (PHASE I)	8,000	8,000	---	8,000
WHOLE BARRACKS COMPLEX RENEWAL	5,500	5,500	5,500	5,500
AIR FORCE				
BOLLING AIR FORCE BASE				
ALTER DORMITORY	6,500	6,500	6,500	6,500
HONOR GUARD DORMITORY	5,600	5,600	5,600	5,600
DEFENSE-WIDE				
BOLLING AIR FORCE BASE				
BOILER DIAC	498	498	498	498
PARKING DIAC	1,245	1,245	---	---
WALTER REED MEDICAL CENTER				
FITNESS CENTER	---	---	4,300	---
TOTAL, DISTRICT OF COLUMBIA	27,343	27,343	22,398	26,098
FLORIDA				
NAVY				
EGLIN AFB NAVSCH EXPL ORDNANCE DISP DET				
EXPLOSIVE ORDNANCE DISPOSAL TRNG COMPLEX	14,200	14,200	14,200	14,200
UNDERWATER ORDNANCE DISPOSAL TRNG FAC	1,950	1,950	1,950	1,950
PENSACOLA NAVAL TECH TRAINING CTR (CORRY STATION)				
CHILD DEVELOPMENT CENTER	2,565	2,565	2,565	2,565
AIR FORCE				
CAPE CANAVERAL AFS				
FIRE TRAINING FACILITY	1,600	1,600	1,600	1,600
EGLIN AFB				
UPGRADE DORMITORY	---	7,300	8,300	7,300
REPAIR RUNWAY	6,200	6,200	6,200	6,200
TYNDALL AFB				
FIRE TRAINING FACILITY	1,200	1,200	1,200	1,200
DEFENSE-WIDE				
DFSC EGLIN AFB				
SOF FUEL STORAGE (DBOF)	2,400	2,400	2,400	2,400
EGLIN AFB				
SOF SQUADRON OPERATIONS/AMU	2,400	2,400	2,400	2,400

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
EGLIN AUX FIELD 9 (HURLBURT FIELD)				
SOF BENSON TANKS STORAGE FACILITY	1,550	1,550	1,550	1,550
SOF HELICOPTER HANGAR	5,500	5,500	6,800	5,500
SOF SQUADRON OPS/AMU MH-53	7,100	7,100	8,100	7,100
ARMY NATIONAL GUARD				
CAMP BLANDING				
WATER DISTRIBUTION SYSTEM UPGRADE	---	4,200	4,200	4,200
WASTEWATER TREATMENT PLANT (PHASE II)	---	5,300	5,300	5,300
TOTAL, FLORIDA	46,665	63,465	66,765	63,465
GEORGIA				
ARMY				
FORT BENNING				
CLOSE COMBAT TACTICAL TRAINER BUILDING	4,900	4,900	4,900	4,900
WHOLE BARRACKS COMPLEX RENEWAL	33,000	33,000	33,000	33,000
FORT GORDON				
BATTALION HEADQUARTERS	3,150	3,150	3,150	3,150
GENERAL PURPOSE WAREHOUSE	2,600	2,600	2,600	2,600
FT STEWART/HUNTER AAF				
DEPLOYMENT STAGING AREA	8,400	8,400	8,400	8,400
NAVY				
MARINE CORPS LOGISTICS BASE (ALBANY)				
CHILD DEVELOPMENT CENTER (PHASE II)	---	1,300	---	---
KINGS BAY STRATEGIC WEAPONS FAC (ATLANTIC)				
SECURITY FORCE FACILITY	2,450	2,450	2,450	2,450
AIR FORCE				
MOODY AFB				
ALTER DORMITORY	---	2,500	---	---
CHILD DEVELOPMENT CENTER	---	3,800	---	---
C-130 AERIAL DELIVERY FACILITY	4,600	4,600	4,600	4,600
C-130 AIRCRAFT WASHRACK FACILITY	1,700	1,700	1,700	1,700
C-130 SQUADRON OPERATIONS/AMU	3,200	3,200	3,200	3,200
CONTROL TOWER	2,700	2,700	2,700	2,700
UPGRADE STORM DRAINAGE SYSTEM	690	690	690	690
REPAIR AND EXTEND RUNWAY	---	---	12,300	12,300
ROBINS AFB				
JSTARS AIRCRAFT FUEL SYSTEM MAINTENANCE DOCK	6,900	6,900	6,900	6,900
UPGRADE DORMITORY (PHASE I)	---	---	11,000	5,500
DEFENSE-WIDE				
FORT BENNING				
LIFE SAFETY UPGRADE	5,600	5,600	5,600	5,600
FAITH MIDDLE SCHOOL ADDITION	1,116	1,116	1,116	1,116
AIR NATIONAL GUARD				
GLYNN COUNTY ANGS (BRUNSWICK)				
REPLACE UNDERGROUND FUEL STORAGE TANKS	320	320	320	320
UPGRADE COMMUNICATION SQUADRON COMPLEX	---	5,000	---	3,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
HUNTER ANG SITE				
REPLACE UNDERGROUND FUEL STORAGE TANKS	400	400	400	400
SAVANNAH MAP				
ALTER AIRCRAFT MAINTENANCE SHOPS	1,300	1,300	1,300	1,300
TOTAL, GEORGIA	83,026	95,626	106,326	103,826
HAWAII				
ARMY				
SCHOFIELD BARRACKS				
WHOLE BARRACKS COMPLEX RENEWAL (PHASE I)	---	15,000	35,000	30,000
NAVY				
HONOLULU COMP AND TELCOMM AREA MASTER STA EPAC				
FIRE PROTECTION SYSTEM	1,980	1,980	1,980	1,980
PEARL HARBOR INTELLIGENCE CENTER PACIFIC				
OPERATIONS BUILDING ALTERATIONS	2,200	2,200	2,200	2,200
PEARL HARBOR NAVAL SUBMARINE BASE				
BERTHING PIER	22,500	22,500	22,500	22,500
AIR FORCE				
HICKAM AFB				
ALTER DORMITORY	3,100	3,100	3,100	3,100
ALTER TRANSIENT DORMITORY	3,050	3,050	3,050	3,050
REPAIR AIRFIELD PAVEMENTS	4,550	4,550	4,550	4,550
TOTAL, HAWAII	37,380	52,380	72,380	67,380
IDAHO				
AIR FORCE				
MOUNTAIN HOME AFB				
AVIONICS SHOP	---	---	4,900	---
BASE CIVIL ENGINEERING WAREHOUSE	---	---	1,800	---
IDAHO TRAINING RANGE (NORTH SITE)	8,000	---	---	---
LARGE AIRCRAFT MAINTENANCE HANGER	---	---	8,000	8,000
UPGRADE STORM DRAINAGE SYSTEM	800	800	800	800
WASTEWATER TREATMENT AND DISPOSAL PLANT	9,850	9,850	9,850	9,850
AIR NATIONAL GUARD				
GOWEN FIELD (BOISE)				
MAINT HANGER UPGRADE	---	---	4,000	4,000
REMOVE UNDERGROUND FUEL STORAGE TANKS	320	320	320	320
TOTAL, IDAHO	18,970	10,970	29,670	22,970
ILLINOIS				
NAVY				
GREAT LAKES NAVAL TRAINING CENTER				
UNIFORM ISSUE BUILDING	12,440	12,440	12,440	12,440
AIR FORCE				
SCOTT AFB				
DORMITORY	8,000	8,000	8,000	8,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
GLOBAL REACH PLANNING CENTER VISITING QUARTERS....	4,700	4,700	4,700	4,700
ARMY NATIONAL GUARD				
MARSEILLES				
TRNG SITE, UTIL UPGRADE.....	1,350	1,350	1,350	1,350
AIR NATIONAL GUARD				
GREATER PEORIA AIRPORT				
ADD TO AIRCRAFT MAINTENANCE HANGAR.....	1,200	1,200	1,200	1,200
ADD TO AIRCRAFT PARKING APRON.....	630	630	630	630
ADD/ALTER SQUADRON OPERATIONS FACILITY.....	970	970	970	970
AIRCRAFT DEICING FACILITY.....	400	400	400	400
ALTER AERIAL PORT TRAINING FACILITY.....	710	710	710	710
ALTER AIRCRAFT MAINTENANCE SHOPS.....	1,450	1,450	1,450	1,450
ARMY RESERVE				
ARLINGTON HEIGHTS				
BATTLE PROJECTION CENTER.....	4,860	4,860	4,860	4,860
FORT SHERIDAN				
ADD/ALTER RTS-INTELLIGENCE.....	3,300	3,300	3,300	3,300
TOTAL, ILLINOIS.....	40,010	40,010	40,010	40,010
INDIANA				
NAVY				
CRANE NAVAL SURFACE WARFARE CENTER				
HYDROACOUSTICS TEST COMPLEX.....	---	3,300	---	3,300
ARMY NATIONAL GUARD				
STOUT FIELD (INDIANAPOLIS)				
COMBINED SUPPORT MAINTENANCE SHOP.....	---	10,846	10,846	10,846
AIR NATIONAL GUARD				
HULMAN FIELD (TERRE HAUTE)				
BASE CIVIL ENGINEER MAINTENANCE COMPLEX.....	---	4,100	---	4,100
AIR FORCE RESERVE				
GRISSOM ARB				
FIRE STATION.....	---	4,250	---	4,250
FIRE TRAINING FACILITY.....	1,500	1,500	1,500	1,500
TOTAL, INDIANA.....	1,500	23,996	12,346	23,996
IOWA				
AIR NATIONAL GUARD				
SIOUX GATEWAY AIRPORT (SIOUX CITY)				
RUNWAY UPGRADE.....	---	4,050	4,000	4,000
ACCESS TAXIWAY.....	---	---	750	---
TOTAL, IOWA.....	---	4,050	4,750	4,000
KANSAS				
ARMY				
FORT RILEY				
WHOLE BARRACKS RENEWAL (PHASE I).....	---	---	15,300	7,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
MCCONNELL AFB				
ALTER DORMITORY	2,200	2,200	2,200	2,200
DORMITORY	---	6,500	---	---
DEICING PAD	1,150	1,150	1,150	1,150
KC-135 SQUADRON OPERATIONS/AMU	6,100	6,100	6,100	6,100
ARMY NATIONAL GUARD				
FORT LEAVENWORTH				
CORPS SIM CENTER (PHASE II)	4,400	4,400	4,400	4,400
AIR NATIONAL GUARD				
FORBES FIELD				
MEDICAL TRAINING COMMUNICATIONS FACILITY	---	---	5,200	5,200
MCCONNELL AFB				
ALTER B-1 SQUADRON OPERATIONS FACILITY	800	800	800	800
B-1 FUEL MAINTENANCE HANGAR	---	---	7,900	7,900
ARMY RESERVE				
OLATHE				
LAND ACQUISITION	539	539	539	539
TOPEKA				
USARC/OMS/AMSA	6,487	6,487	6,487	6,487
WITCHITA				
HQ 89TH ARMCOM (PHASE I)	---	---	8,389	8,389
AIR FORCE RESERVE				
MCCONNELL AFB				
KC-135 OPERATIONS/TRAINING	---	---	4,980	4,980
TOTAL, KANSAS	21,676	28,176	63,445	55,145
KENTUCKY				
ARMY				
FORT CAMPBELL				
WHOLE BARRACKS RENEWAL (PHASE I)	---	---	10,000	10,000
FORT KNOX				
CLOSE COMBAT TACTICAL TRAINER BUILDING	5,600	5,600	5,600	5,600
ARMY NATIONAL GUARD				
WESTERN KENTUCKY TRAINING SITE (GREENVILLE)				
TRAINING COMPLEX	---	---	4,656	4,656
TOTAL, KENTUCKY	5,600	5,600	20,256	20,256
LOUISIANA				
AIR FORCE				
BARKSDALE AFB				
B-52 TRAINING COMPLEX	2,500	2,500	2,500	2,500
DEFENSE-WIDE				
BARKSDALE AIR FORCE BASE				
LIFE SAFETY UPGRADE	4,100	4,100	4,100	4,100
DFSC BARKSDALE AFB				
REPLACE HYDRANT FUEL SYSTEM (DBOF)	13,100	13,100	13,100	13,100

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NEW ORLEANS NAVAL SUPPORT ACTIVITY				
SOF SMALL CRAFT BREAKWATER	---	730	---	---
ARMY NATIONAL GUARD				
PLAQUEMINE				
OMS (REHAB/RENOVATION)	---	---	776	---
RUSTON				
OMS #2	---	---	1,638	1,638
NAVY RESERVE				
NEW ORLEANS NAS JOINT RESERVE BASE				
BACHELOR ENLISTED QUARTERS ADDITION	---	5,035	---	5,035
NEW ORLEANS NAVAL SUPPORT ACTIVITY				
BACHELOR ENLISTED QUARTERS	---	6,100	---	6,100
TOTAL, LOUISIANA	19,700	31,565	22,114	32,473
MARYLAND				
NAVY				
ANNAPOLIS NAVAL STATION				
BACHELOR ENLISTED QUARTERS	3,600	3,600	3,600	3,600
AIR FORCE				
ANDREWS AFB				
DORMITORY	6,000	6,000	6,000	6,000
UNDERGROUND FUEL STORAGE TANKS	6,886	6,886	6,886	6,886
DEFENSE-WIDE				
BETHESDA NAVAL HOSPITAL				
POTABLE WATER LINE REPLACEMENT	1,300	1,300	1,300	1,300
FOREST GLEN (WRAIR)				
ARMED FORCES INST OF PATH REPOSITORY ADD	1,550	1,550	1,550	1,550
ARMY INSTITUTE OF RESEARCH (PHASE III)	119,000	27,000	27,000	27,000
FORT MEADE				
CRITICAL UTILITIES CONTROL (PHASE I)	3,301	3,301	3,301	3,301
FRIENDSHIP AIRPORT ANNEX II PURCHASE	14,800	14,800	14,800	14,800
SPL STEAM GENERATION PLANT	632	632	632	632
ARMY NATIONAL GUARD				
CAMP FRETTARD				
OMS	---	---	2,700	2,700
TOTAL, MARYLAND	157,069	65,069	67,769	67,769
MASSACHUSETTS				
AIR NATIONAL GUARD				
BARNES MAP				
VEHICLE MAINTENANCE COMPLEX	2,000	2,000	2,000	2,000
WORCESTER ANGS				
PAINT AND REFUELING VEHICLES MAINT BAYS	350	350	350	350
NAVY RESERVE				
MARINE CORPS RESCEN (CAMP EDWARDS)				
RESCEN/COMBAT VEHICLE MAINTENANCE FAC ADDITION	3,130	3,130	3,130	3,130

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, MASSACHUSETTS	5,480	5,480	5,480	5,480
MICHIGAN				
AIR NATIONAL GUARD				
SELFRIDGE ANGB				
UPGRADE HEATING SYSTEMS	2,900	2,900	2,900	2,900
SANITARY SEWER UPGRADE	---	---	520	---
ALPENA REGIONAL AIRPORT (PHELPS-COLLINS ANGB)				
AIRFIELD PAVEMENTS ADDITIONS	---	---	6,400	6,400
TOTAL, MICHIGAN	2,900	2,900	9,820	9,300
MINNESOTA				
ARMY NATIONAL GUARD				
CAMP RIPLEY				
CSMS (PHASE II)	---	---	8,150	---
AIR NATIONAL GUARD				
MINN-ST PAUL IAP				
AIRCRAFT DEICING FACILITY	400	400	400	400
UPGRADE HEATING SYSTEM	780	780	780	780
TOTAL, MINNESOTA	1,180	1,180	9,330	1,180
MISSISSIPPI				
AIR FORCE				
COLUMBUS AFB				
FIRE TRAINING FACILITY	1,150	1,150	1,150	1,150
KEESLER AFB				
DORMITORY	---	8,300	---	---
UPGRADE STUDENT DORMITORY	6,500	6,500	6,500	6,500
ARMY NATIONAL GUARD				
CAMP SHELBY				
MULTI PURPOSE RANGE COMPLEX (PHASE I)	---	---	5,000	5,000
GULFPORT				
AVCRAD EQUIPMENT ELECTRONIC TEST FACILITY	1,100	1,100	1,100	1,100
AIR NATIONAL GUARD				
GULFPORT ANG CRTC				
ROAD RELOCATION	---	---	10,200	5,100
KEY FIELD (MERIDIAN)				
ADD/ALTER BASE COMMUNICATIONS FACILITY	---	1,500	---	1,500
THOMPSON FIELD (JACKSON)				
ADD/ALTER COMMUNICATIONS FACILITY	---	2,400	---	2,400
TOTAL, MISSISSIPPI	8,750	20,950	23,950	22,750
MISSOURI				
ARMY				
FORT LEONARD WOOD				
CHILD DEVELOPMENT CENTER	---	3,900	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
WHITEMAN AFB				
B-2 ADD TO ACFT APRON/CONVOY ROAD/TAXIWAY.....	1,500	1,500	1,500	1,500
B-2 ADD/ALTER DOCK FIRE PROTECTION.....	3,500	3,500	3,500	3,500
B-2 ADD TO FLIGHT SIMULATOR TRAINING FACILITY.....	4,100	4,100	4,100	4,100
B-2 AIRCRAFT MAINTENANCE DOCKS/HYDRANT FUEL SYSTEM	15,500	15,500	15,500	15,500
DEFENSE-WIDE				
DMA AEROSPACE CENTER, ARNOLD				
REPLACE DESTROYED/DAMAGED FAC W/LAND ACQ.....	40,300	40,300	40,300	40,300
ARMY NATIONAL GUARD				
JEFFERSON CITY				
MULTI PURPOSE BAFFLE RANGE.....	---	---	2,236	2,236
AIR NATIONAL GUARD				
JEFFERSON BARRACKS				
UPGRADE SEWER SYSTEMS.....	---	---	2,700	2,700
TOTAL, MISSOURI.....	64,900	68,800	69,836	69,836
MONTANA				
ARMY NATIONAL GUARD				
FORT HARRISON				
TRAINING SITE IMPROVEMENTS.....	---	---	681	681
TRAINING SITE SUPPORT FACILITY.....	---	---	7,854	7,854
REGIONAL AIRPORT HELENA				
ARMY AVIATION SUPPORT FACILITY.....	---	---	12,506	12,506
TOTAL, MONTANA.....	---	---	21,041	21,041
NEBRASKA				
ARMY NATIONAL GUARD				
CAMP ASHLAND				
ADMIN/EDUCATION/MEDICAL/SUPPLY FACILITY.....	---	---	1,408	1,408
HASTINGS TRAINING RANGE				
INSTRUCTIONAL FACILITY.....	---	---	761	---
TOTAL, NEBRASKA.....	---	---	2,169	1,408
NEVADA				
AIR FORCE				
NELLIS AFB				
UPGRADE STORM DRAINAGE SYSTEM.....	600	600	600	600
TRANSIENT HOUSING.....	---	---	9,550	7,000
VISITING QUARTERS.....	9,900	9,900	9,900	9,900
ARMY RESERVE				
LAS VEGAS				
ARMED FORCES RESERVE CENTER/OMS (PHASE II).....	---	---	9,000	9,000
TOTAL, NEVADA.....	10,500	10,500	29,050	26,500

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NEW HAMPSHIRE				
ARMY RESERVE				
MANCHESTER				
AMSA/OMS	---	---	17,893	12,376
NEW JERSEY				
ARMY				
PICATINNY ARSENAL				
UPGRADE ELECTRICAL SYSTEM (PHASE II)	---	5,500	---	5,500
NAVY				
LAKEHURST NAVAIRWARFARE CTR AIRCRAFT DIV				
CHILD DEVELOPMENT CENTER (DBOF)	1,700	1,700	1,700	1,700
AIR FORCE				
MCGUIRE AFB				
DORMITORY	---	7,300	7,300	7,300
DINING FACILITY	---	5,000	---	---
FIRE TRAINING FACILITY	1,600	1,600	1,600	1,600
KC-10 SQUADRON OPERATIONS/AMU	7,600	7,600	7,600	7,600
DEFENSE-WIDE				
DFSC MCGUIRE AFB				
REPLACE HYDRANT FUEL SYSTEM (DBOF)	12,000	12,000	12,000	12,000
AIR NATIONAL GUARD				
ATLANTIC CITY				
UPGRADE SANITARY AND WATER SYSTEM	650	650	650	650
MCGUIRE AFB				
FUEL CELL AND CORROSION CONTROL FACILITY	5,700	5,700	5,700	5,700
WARREN GROVE RANGE				
COMPOSITE RANGE OPERATIONS FACILITY	1,100	1,100	1,100	1,100
TOTAL, NEW JERSEY	30,350	48,150	37,650	43,150
NEW MEXICO				
ARMY				
WHITE SANDS MISSILE RANGE				
STALLION RANGE CENTER WATER DEVELOPMENT	---	2,050	---	2,050
AIR FORCE				
CANNON AFB				
ADD/ALTER DORMITORY	---	3,000	---	3,000
UPGRADE STORM DRAINAGE SYSTEM	620	620	620	620
WASTEWATER TREATMENT AND DISPOSAL PLANT	9,800	9,800	9,800	9,800
HOLLOMAN AFB				
ACADEMIC CENTER	---	---	6,000	6,000
KIRTLAND AFB				
UPGRADE ELECTRICAL DISTRIBUTION SYSTEM	7,656	7,656	7,656	7,656
UPGRADE STORM DRAINAGE SYSTEM	1,500	1,500	1,500	1,500
AIR NATIONAL GUARD				
KIRTLAND AFB				
AIRCRAFT CORROSION CONTROL FACILITY	1,800	1,800	1,800	1,800

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ALTER AIRCRAFT MAINT HANGAR AND SHOPS	900	900	900	900
COMPOSITE ENGINE AND NDI SHOP	2,700	2,700	2,700	2,700
LANTIRN MAINTENANCE FACILITY	620	620	620	620
TOTAL, NEW MEXICO	25,596	30,646	31,596	36,646
NEW YORK				
ARMY				
FORT DRUM				
INFANTRY PLATOON BATTLE COURSE	---	3,800	---	3,800
ANTI-ARMOR TRACKING AND LIVE-FIRE RANGE	---	5,000	---	5,000
SHIPPING AND RECEIVING BUILDING	---	2,650	---	---
U.S. MILITARY ACADEMY (WEST POINT)				
CHILD DEVELOPMENT CENTER	---	8,300	---	8,300
WATERVLIET ARSENAL				
OIL RUNOFF CONTAINMENT FACILITY (DBOF)	680	680	680	680
AIR NATIONAL GUARD				
HANCOCK FIELD (SYRACUSE)				
COMPOSITE MEDICAL TRAINING FACILITY	1,990	1,990	1,990	1,990
NIAGARA FALLS IAP				
UPGRADE RUNWAY OVERRUN	1,950	1,950	1,950	1,950
UPGRADE STORM WATER AND SANITARY SEWER SYSTEM	400	400	400	400
STRATTON ANGB (SCHENECTADY)				
MAINTENANCE HANGAR AND SHOPS	---	10,000	---	10,000
NAVY RESERVE				
NAV AND MARINE CORPS RESCEN (BUFFALO)				
RESERVE TRAINING BUILDING ADDITION	3,836	3,836	3,836	3,836
AIR FORCE RESERVE				
NIAGARA FALLS IAP				
FUEL SYSTEM MAINTENANCE HANGAR	4,895	4,895	4,895	4,895
TOTAL, NEW YORK	13,751	43,501	13,751	40,851
NORTH CAROLINA				
ARMY				
FORT BRAGG				
STAGING AREA COMPLEX	11,200	11,200	11,200	11,200
WHOLE BARRACKS COMPLEX RENEWAL	18,500	18,500	18,500	18,500
NAVY				
CAMP LEJEUNE MARINE CORPS BASE				
BACHELOR ENLISTED QUARTERS	8,300	8,300	8,300	8,300
INFANTRY PLATOON BATTLE COURSE	5,500	5,500	5,500	5,500
WASTEWATER TREATMENT PLANT (PHASE II)	45,500	45,500	45,500	45,500
CHERRY POINT MARINE CORPS AIR STATION				
ENCLOSE WATER SURVIVAL TRAINING TANK	2,050	2,050	2,050	2,050
JET ENGINE TEST CELL	7,730	7,730	7,730	7,730
MISSILE MAGAZINE	1,650	1,650	1,650	1,650
NEW RIVER MARINE CORPS AIR STATION				
BACHELOR ENLISTED QUARTERS	14,650	14,650	14,650	14,650

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
POPE AFB				
C-130 SQUADRON OPS/AMU & AUDIOVISUAL SERVICES CTR.	6,100	6,100	6,100	6,100
UNDERGROUND FUEL STORAGE TANKS	2,150	2,150	2,150	2,150
SEYMOUR JOHNSON AFB				
VISITING OFFICERS QUARTERS	---	2,000	---	---
DINING HALL AND TROOP ISSUE WAREHOUSE	---	4,700	---	4,700
UPGRADE STORM DRAINAGE SYSTEM	830	830	830	830
DEFENSE-WIDE				
FORT BRAGG				
COSCOM HEALTH CLINIC	---	13,200	---	13,200
SOF BARRACKS	---	8,000	---	8,000
SOF GROUP HEADQUARTERS BUILDING	2,600	2,600	3,900	2,600
SOF BARRACKS	---	---	5,500	---
AIR NATIONAL GUARD				
CHARLOTTE ANGB				
AEROMEDICAL EVACUATION TRAINING FACILITY	---	1,900	---	1,900
ARMY RESERVE				
HICKORY				
USARC	2,713	2,713	2,713	2,713
TOTAL, NORTH CAROLINA	129,473	159,273	136,273	157,273
NORTH DAKOTA				
AIR FORCE				
GRAND FORKS AFB				
DORMITORY	8,500	8,500	8,500	8,500
KC-135 SQUADRON OPERATIONS/AMU	6,300	6,300	6,300	6,300
MINOT AFB				
UNDERGROUND FUEL STORAGE TANKS	1,550	1,550	1,550	1,550
ARMY NATIONAL GUARD				
CAMP GRAFTON (DEVILS LAKE)				
COMBINED SUPPORT MAINTENANCE AND PAINT SHOP	---	2,050	---	2,050
TOTAL, NORTH DAKOTA	16,350	18,400	16,350	18,400
OHIO				
AIR FORCE				
WRIGHT-PATTERSON AFB				
UPGRADE ELECTRICAL DISTRIBUTION SYSTEM	4,100	4,100	4,100	4,100
DEFENSE-WIDE				
COLUMBUS				
DFAS OPERATIONS FACILITY (DBOF) (PHASE I)	72,403	37,400	37,400	37,400
ARMY NATIONAL GUARD				
RICKENBACKER ANGB				
BARRACKS	---	1,750	---	1,750
AIR NATIONAL GUARD				
BLUE ASH ANG STATION				
REPLACE UNDERGROUND FUEL STORAGE TANKS	380	380	380	380

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
CAMP PERRY				
REPLACE UNDERGROUND FUEL STORAGE TANKS	320	320	320	320
RICKENBACKER ANGB				
REPLACE UNDERGROUND FUEL STORAGE TANKS	310	310	310	310
SQUADRON OPERATIONS BUILDING	---	---	6,100	---
AIR FORCE RESERVE				
YOUNGSTOWN MAP				
ADD/ALTER ELECTRIC SUBSTATION	4,230	4,230	4,230	4,230
CONSTRUCT AIRCRAFT PARKING APRON	3,350	3,350	3,350	3,350
UPGRADE BASE WATER DISTRIBUTION SYSTEM	1,000	1,000	1,000	1,000
TOTAL, OHIO	86,093	52,840	57,190	52,840
OKLAHOMA				
ARMY				
FORT SILL				
CENTRAL VEHICLE WASH FACILITY	6,300	6,300	6,300	6,300
WHOLE BARRACKS COMPLEX RENEWAL	---	8,000	---	8,000
AIR FORCE				
ALTUS AFB				
CHILD DEVELOPMENT CENTER	---	4,000	3,600	3,600
FIRE TRAINING FACILITY	1,200	1,200	1,200	1,200
TINKER AFB				
ADD/ALTER DORMITORIES	5,100	5,100	5,100	5,100
CORROSION CONTROL FACILITY (B-2) (PHASE I)	---	---	11,400	6,000
ARMY NATIONAL GUARD				
LAWTON (FORT SILL)				
ORGANIZATIONAL MAINTENANCE SHOP (MLRS)	2,400	2,400	2,400	2,400
AIR NATIONAL GUARD				
TULSA IAP				
COMPOSITE COMMUNICATIONS FACILITY	1,900	1,900	1,900	1,900
WILL ROGERS WORLD AIRPORT				
AERIAL PORT TRAINING FACILITY	2,550	2,550	2,550	2,550
COMPOSITE FIRE STATION	1,950	1,950	1,950	1,950
PETROLEUM OPERATIONS FACILITY	400	400	400	400
TOTAL, OKLAHOMA	21,800	33,800	36,800	39,400
OREGON				
ARMY NATIONAL GUARD				
CAMP WITHECOMBE				
CSMS	---	---	4,769	4,769
SALEM				
AIRFIELD OPERATIONS BUILDING	---	---	2,972	2,972
AIR NATIONAL GUARD				
KLAMATH FALLS				
OPERATIONS/TRAINING FACILITY	---	---	4,600	4,600
DEFENSE-WIDE				
UMATILLA DEPOT				
AMMUNITION DEMILITARIZATION FACILITY (PHASE II)	55,000	55,000	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, OREGON	55,000	55,000	12,341	12,341
PENNSYLVANIA				
NAVY				
PHILADELPHIA NAVAL SHIPYARD				
FOUNDRY RENOVATION AND MODERNIZATION (PHASE III)	---	6,000	---	6,000
DEFENSE-WIDE				
DEF DISTRIBUTION NEW CUMBERLAND - DDSP				
TRANSPORT CONTROL FACILITY (DBOF)	4,600	4,600	4,600	4,600
OLMSTEAD FIELD, HARRISBURG IAP				
SOF REFUELING VEHICLE SHOP	443	443	443	443
SOF MOBILITY STORAGE WAREHOUSE	1,200	1,200	1,200	1,200
ARMY NATIONAL GUARD				
INDIANTOWN GAP ANNVILLE				
MILITARY TRAINING/BARRACKS/DINING (PHASE III)	---	---	9,877	9,877
SCRANTON REGIONAL MAINTENANCE FACILITY				
REGIONAL MAINTENANCE SHOP	---	3,320	---	3,320
AIR NATIONAL GUARD				
GREATER PITTSBURGH IAP				
FUEL SYSTEMS MAINTENANCE FACILITY	5,332	5,332	5,332	5,332
TOTAL, PENNSYLVANIA	11,575	20,895	21,452	30,772
RHODE ISLAND				
NAVY				
NAVAL WAR COLLEGE NEWPORT				
STRATEGIC MARITIME CENTER (PHASE II)	---	---	18,000	---
SOUTH CAROLINA				
ARMY				
CHARLESTON NAVAL WEAPONS STATION				
ARMY STRATEGIC MAINT COMPLEX (PHASE II) (DBOF)	16,500	16,500	16,500	16,500
WHARF ADDITIONS (DBOF)	9,200	9,200	9,200	9,200
FORT JACKSON				
WHOLE BARRACKS COMPLEX RENEWAL	32,000	32,000	32,000	32,000
NAVY				
BEAUFORT MCAS				
BACHELOR ENLISTED QUARTERS	---	15,000	15,000	15,000
AIR FORCE				
CHARLESTON AFB				
C-17 ADD TO FLIGHT SIMULATOR FACILITY	1,300	1,300	1,300	1,300
C-17 SQUADRON OPERATIONS/AMU	5,600	5,600	5,600	5,600
DORMITORY	5,600	5,600	5,600	5,600
SHAW AFB				
UPGRADE STORM DRAINAGE SYSTEM	1,300	1,300	1,300	1,300
DEFENSE-WIDE				
FT JACKSON				
PIERCE TERRACE ELEM SCHOOL ADDITION	576	576	576	576

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY NATIONAL GUARD				
EASTOVER				
REGION C LEADERSHIP BRIGADE FACILITY	---	---	15,229	15,229
TOTAL, SOUTH CAROLINA	72,076	87,076	102,305	102,305
SOUTH DAKOTA				
AIR FORCE				
ELLSWORTH AFB				
CONSOLIDATED ADMIN SUPPORT COMPLEX	---	---	7,800	7,800
ARMY NATIONAL GUARD				
CAMP RAPID (RAPID CITY)				
COMBINED BATTALION BARRACKS/MESS/ADMIN AREA	---	2,650	2,631	2,631
RAPID CITY AIRPORT				
AASF RAMP	---	---	3,100	---
AIR NATIONAL GUARD				
JOE FOSS FIELD				
BASE SUPPLY COMPLEX	4,000	4,000	4,000	4,000
VEHICLE MAINTENANCE AND STORAGE COMPLEX	---	---	4,400	---
TOTAL, SOUTH DAKOTA	4,000	6,650	21,931	14,431
TENNESSEE				
AIR FORCE				
ARNOLD ENGINEERING DEV CENTER				
UPGRADE ENGINE TEST FACILITIES REFRIGERATION	2,300	2,300	2,300	2,300
UPGRADE FIRE PROTECTION SYSTEMS	2,700	2,700	2,700	2,700
ARMY NATIONAL GUARD				
JOHNSON CITY				
OMS/AMSA/VMF	---	1,937	1,937	1,937
TULLAHOMA TRAINING SITE				
MODIFIED RECORD FIRE RANGE	---	2,623	---	2,623
AIR NATIONAL GUARD				
NASHVILLE METRO AIRPORT				
PMEC SCHOOL TRAINING QUARTERS	4,400	4,400	4,400	4,400
SQUADRON OPERATIONS FACILITY	---	---	4,400	4,400
MEMPHIS IAP				
ADD/ALTER BASE ENGINEER MAINTENANCE COMPLEX	990	990	990	990
ADD/ALTER SECURITY POLICE OPERATIONS FACILITY	1,100	1,100	1,100	1,100
TOTAL, TENNESSEE	11,490	16,050	17,827	20,450
TEXAS				
ARMY				
FORT BLISS				
CHILD DEVELOPMENT CENTER	---	4,000	---	4,000
DINING FACILITY	---	4,900	---	4,900
WHOLE BARRACKS COMPLEX RENEWAL	48,000	48,000	48,000	48,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FORT HOOD				
WHOLE BARRACKS COMPLEX RENEWAL	17,500	17,500	17,500	17,500
WHOLE BARRACK COMPLEX RENEWAL (PHASE I)	---	15,000	15,000	15,000
FORT SAM HOUSTON				
IH-35 OVERPASS	---	7,000	---	7,000
NAVY				
CORPUS CHRISTI NAS				
BACHELOR ENLISTED QUARTERS EXPANSION AND UPGRADE	---	4,400	---	4,400
INGLESIDE NS				
SMALL CRAFT BERTHING PIER	---	2,640	---	2,640
KINGSVILLE NAS				
LAND ACQUISITION FOR AIRFIELD SAFETY CLEAR ZONES	---	2,710	---	2,710
AIR FORCE				
DYESS AFB				
ADD/ALTER DORMITORIES	---	5,400	5,400	5,400
GOODFELLOW AFB				
CHILD DEVELOPMENT CENTER ADDITION	---	1,000	---	1,000
KELLY AFB				
WING HEADQUARTERS FACILITY	3,244	3,244	---	3,244
LAUGHLIN AFB				
FIRE TRAINING FACILITY	1,400	1,400	1,400	1,400
RANDOLPH AFB				
FIRE TRAINING FACILITY	1,200	1,200	1,200	1,200
UPGRADE AIRFIELD LIGHTING	1,900	1,900	1,900	1,900
REESE AFB				
FIRE TRAINING FACILITY	1,200	1,200	1,200	---
SHEPPARD AFB				
UPGRADE AIRFIELD LIGHTING	1,500	1,500	1,500	1,500
DEFENSE-WIDE				
FORT BLISS				
THEATER AREA DEFENSE FACILITIES	13,600	13,600	13,600	13,600
FORT HOOD				
CONSOLIDATED TROOP MEDICAL CLINIC	5,500	5,500	5,500	5,500
LACKLAND AIR FORCE BASE				
ADD/ALTER EMERGENCY DEPARTMENT	6,100	6,100	6,100	6,100
REESE AIR FORCE BASE				
LIFE SAFETY/UTILITY UPGRADE	1,000	1,000	1,000	---
AIR NATIONAL GUARD				
KELLY AFB				
UPGRADE HEATING AND COOLING SYSTEMS	1,400	1,400	1,400	1,400
TOTAL, TEXAS	103,544	150,594	120,700	148,394
UTAH				
AIR FORCE				
HILL AFB				
CONSOLIDATION RANGE/DORMITORY/OPERATIONS FACILITY	---	---	8,900	8,900
DEPOT FIRE PROTECTION	---	---	3,700	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY NATIONAL GUARD				
CAMP WILLIAMS (LEHI)				
REGION V BARRACKS	---	5,197	---	---
REPLACE/UPGRADE POTABLE WATER DISTRIBUTION SYSTEM.	---	800	800	800
TRAINING SITE, STORAGE FACILITY	340	340	340	340
TOTAL, UTAH	340	6,337	13,740	10,040
VERMONT				
AIR NATIONAL GUARD				
BURLINGTON IAP				
ADD/ALTER OPERATIONS/TRAINING FACILITY	---	---	2,650	2,650
VIRGINIA				
ARMY				
FORT EUSTIS				
WHOLE BARRACKS COMPLEX RENEWAL	---	11,000	11,000	11,000
DEPLOYMENT TRAINING FACILITY	5,400	5,400	5,400	5,400
FORT MYER				
ARMY MUSEUM LAND ACQUISITION	17,000	---	---	---
NAVY				
HENDERSON HALL, ARLINGTON				
LAND ACQUISITION	---	---	1,900	1,900
NORFOLK NAVAL STATION				
BACHELOR ENLISTED QUARTERS	---	18,000	---	---
OILY WASTE COLLECTION SYSTEM (PHASE I)	10,580	10,580	10,580	10,580
PORTSMOUTH NAVAL HOSPITAL				
BACHELOR ENLISTED QUARTERS	9,500	9,500	9,500	9,500
QUANTICO MARINE CORPS COMBAT DEV COMMAND				
AMMUNITION STORAGE FACILITY	3,500	3,500	3,500	3,500
WILLIAMSBURG FLEET AND INDUSTRIAL SUPPLY CTR				
BACHELOR ENLISTED QUARTERS	6,140	6,140	6,140	6,140
ELECTRICAL DISTRIBUTION SYS ALTERATIONS	2,250	2,250	2,250	2,250
YORKTOWN NAVAL WEAPONS STATION				
EXPLOSIVE ORDNANCE DISPOSAL OPS FAC (DBOF)	1,300	1,300	1,300	1,300
AIR FORCE				
LANGLEY AFB				
UPGRADE STORM DRAINAGE SYSTEM	1,000	1,000	1,000	1,000
DEFENSE-WIDE				
FLEET COMBAT TRAINING CENTER (DAM NECK)				
SOF AMPHIBIOUS OPERATIONS SUPPORT BUILDING	4,500	4,500	4,500	4,500
DEFENSE DISTRIBUTION DEPOT - DDNV (NORFOLK)				
GENERAL PURPOSE WHSE REPLACEMENT (DBOF)	10,400	10,400	10,400	10,400
NAVAL AMPHIBIOUS BASE (LITTLE CREEK)				
SOF OPERATIONS SUPPORT FACILITY	6,100	6,100	6,100	6,100
NORTHWEST NAVAL SECURITY GROUP ACTIVITY (CHESAPEAKE)				
MEDICAL/DENTAL CLINIC	4,300	4,300	4,300	4,300

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
PENTAGON RESERVATION				
FACILITY RENOVATION (PHASE I)	---	---	161,000	---
PORTSMOUTH NAVAL HOSPITAL				
HOSPITAL REPLACEMENT (PHASE VII)	71,900	47,900	47,900	47,900
AIR NATIONAL GUARD				
CAMP PENDLETON ANGB				
VEHICLE MAINTENANCE COMPLEX	2,000	2,000	2,000	2,000
RICHARD E BYRD IAP (RICHMOND)				
ADD/ALTER F-16 AC MAINTENANCE COMPLEX	2,700	2,700	2,700	2,700
ARMY NATIONAL GUARD				
DANVILLE				
EXPAND SQUIRE ARMORY	---	---	1,789	---
TOTAL, VIRGINIA	158,570	146,570	293,259	130,470
WASHINGTON				
ARMY				
FORT LEWIS				
CONSOLIDATED FUEL STATION	3,400	3,400	3,400	3,400
MULTI-PURPOSE TRAINING RANGE (YAKIMA)	8,500	8,500	8,500	8,500
RAIL SPUR AND TANK TRAILS (YAKIMA)	3,200	3,200	3,200	3,200
TACTICAL EQUIPMENT SHOP	15,000	15,000	15,000	15,000
TANK TRAIL EROSION MITIGATION (YAKIMA)	2,000	2,000	2,000	2,000
NAVY				
BREMERTON PUGET SOUND NAVAL SHIPYARD				
FLEET SUPPORT FACILITIES (DBOF)	6,870	6,870	6,870	6,870
METAL PREPARATION FAC IMPROVEMENTS (DBOF)	2,600	2,600	2,600	2,600
PHYSICAL FITNESS CENTER	---	10,400	10,400	10,400
KEYPORT NAVAL UNDERSEA WARFARE CENTER DIV				
METAL TREATMENT FACILITY (DBOF)	5,300	5,300	5,300	5,300
AIR FORCE				
FAIRCHILD AFB				
ALTER DORMITORIES	7,500	7,500	7,500	7,500
DORMITORY	---	8,200	---	8,200
MCCHORD AFB				
DORMITORY	4,300	4,300	4,300	4,300
SQUADRON OPERATIONS/AMU	5,600	5,600	5,600	5,600
TOTAL, WASHINGTON	64,270	82,870	74,670	82,870
WEST VIRGINIA				
NAVY				
SUGAR GROVE				
BEQ	---	---	7,200	7,200
WISCONSIN				
ARMY NATIONAL GUARD				
WEST BEND				
ARMY AVIATION COMPLEX	---	---	5,235	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR NATIONAL GUARD				
TRUAX FIELD				
ALTER MUNITIONS FACILITY	670	670	670	670
ARMY RESERVE				
GREEN BAY				
USARC/OMS/AMSA	6,523	6,523	6,523	6,523
TOTAL, WISCONSIN	7,193	7,193	12,428	7,193
WYOMING				
AIR FORCE				
FE WARREN AFB				
ALTER DORMITORIES	5,500	5,500	5,500	5,500
CHILD DEVELOPMENT CENTER	---	4,000	---	---
UPGRADE CENTRAL HEAT PLANT	3,500	3,500	3,500	3,500
ARMY NATIONAL GUARD				
CAMP GUERNSEY				
UTILITY UPGRADE	---	---	6,055	6,055
CODY				
ORGANIZATIONAL MAINTENANCE SUBSHOP	342	342	342	342
NEWCASTLE				
ORGANIZATIONAL MAINTENANCE SUBSHOP	348	348	348	348
TOTAL, WYOMING	9,690	13,690	15,745	15,745
CONUS CLASSIFIED				
ARMY				
CLASSIFIED LOCATIONS				
CLASSIFIED PROJECT	1,900	1,900	1,900	1,900
AIR FORCE				
CLASSIFIED LOCATION				
SPECIAL TACTICAL UNIT DETACHMENT FACILITY	700	700	700	700
DEFENSE-WIDE				
OSD MILCON				
CLASSIFIED LOCATION	11,500	11,500	11,500	11,500
TOTAL, CONUS CLASSIFIED	14,100	14,100	14,100	14,100
CONUS VARIOUS				
NAVY				
CONUS VARIOUS				
SUPPLY WAREHOUSE	1,200	1,200	1,200	1,200
GERMANY				
AIR FORCE				
SPANGDAHLEM AB				
ADD TO MISSILE MAINTENANCE FACILITY	930	930	---	---
DORMITORY	5,900	5,900	5,900	5,900

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
SOUND SUPPRESSOR FOUNDATION	950	950	---	---
SOUND SUPPRESSOR FOUNDATION	600	600	---	---
VOGELWEH				
CHILD DEVELOPMENT CENTER	2,600	2,600	2,600	2,600
DEFENSE-WIDE				
RAMSTEIN				
ELEMENTARY/JUNIOR HIGH SCHOOL ADDITIONS	19,205	19,205	19,205	19,205
TOTAL, GERMANY	30,185	30,185	27,705	27,705
GREECE				
AIR FORCE				
ARAXOS				
DORMITORY	1,950	1,950	1,950	1,950
GUAM				
NAVY				
NAVAL COMP AND TELCOMM AREA MASTER STA WPAC				
BACHELOR ENLISTED QUARTERS MODERNIZATION	2,250	2,250	2,250	2,250
NAVY PUBLIC WORKS CENTER				
WASTEWATER TREATMENT PLANT UPGRADES	16,180	16,180	16,180	16,180
DEFENSE-WIDE				
NS GUAM				
SOF OPERATIONS SUPPORT FACILITY	8,800	8,800	8,800	8,800
TOTAL, GUAM	27,230	27,230	27,230	27,230
ITALY				
NAVY				
NAPLES NAVAL SUPPORT ACTIVITY				
OPERATIONS SUPPORT CENTER	10,000	10,000	10,000	10,000
QUALITY OF LIFE FACILITIES (PHASE III)	14,950	14,950	14,950	14,950
SIGONELLA NAVAL AIR FACILITY				
FIRE PROTECTION SYSTEM	870	870	870	870
SIGONELLA NAVAL AIR STATION				
BACHELOR ENLISTED QUARTERS	11,300	11,300	11,300	11,300
AIR FORCE				
AVIANO AB				
COMMUNICATIONS MAINTENANCE FACILITY	1,400	1,400	1,400	1,400
SQUADRON OPERATIONS FACILITY	950	950	950	950
GHEDI AIRFIELD				
DORMITORY	1,450	1,450	1,450	1,450
DEFENSE-WIDE				
SIGONELLA NAVAL AIR STATION				
ELEMENTARY/HIGH SCHOOL ADDITIONS	7,595	7,595	7,595	7,595
U.S. NAVAL SUPPORT ACTIVITY (NAPLES)				
DISPENSARY (CAPODICHINO)	5,000	5,000	5,000	5,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, ITALY	53,515	53,515	53,515	53,515
KOREA				
ARMY				
CAMP STANLEY				
WHOLE BARRACKS COMPLEX RENEWAL	6,800	6,800	6,800	6,800
CAMP CASEY				
DINING FACILITY	4,150	4,150	4,150	4,150
CAMP HOVEY				
WHOLE BARRACKS COMPLEX RENEWAL	6,200	6,200	6,200	6,200
WHOLE BARRACKS COMPLEX RENEWAL	7,300	7,300	7,300	7,300
CAMP PELHAM				
WHOLE BARRACKS COMPLEX RENEWAL	5,600	5,600	5,600	5,600
YONGSAN GARRISON (SEOUL)				
CHILD DEVELOPMENT CENTER	---	1,450	4,500	4,500
TOTAL, KOREA	30,050	31,500	34,550	34,550
PUERTO RICO				
NAVY				
ROOSEVELT ROADS NAVAL STATION				
SANITARY LANDFILL	11,500	11,500	11,500	11,500
SABANA SECA NAVAL SECURITY GROUP ACTIVITY				
ROAD IMPROVEMENTS	2,200	2,200	2,200	2,200
DEFENSE-WIDE				
DEFENSE FUEL SUPPORT POINT ROOSEVELT ROADS				
FUEL STORAGE (DBOF)	6,200	6,200	6,200	6,200
AIR NATIONAL GUARD				
PUERTO RICO IAP				
ADD/ALTER COMPOSITE SUPPORT FACILITY	510	510	510	510
MUNITIONS MAINTENANCE AND STORAGE COMPLEX	3,800	3,800	3,800	3,800
UPGRADE SECURITY SYSTEM	1,350	1,350	1,350	1,350
TOTAL, PUERTO RICO	25,560	25,560	25,560	25,560
SPAIN				
DEFENSE-WIDE				
DFSC ROTA				
HYDRANT FUEL SYSTEM (DBOF)	7,400	7,400	---	7,400
TURKEY				
AIR FORCE				
ANKARA				
LONG PERIOD SEISMIC ARRAY	3,000	3,000	3,000	3,000
SHORT PERIOD SEISMIC ARRAY	4,000	4,000	4,000	4,000
INCIRLIK AB				
CHILD DEVELOPMENT CENTER	1,600	1,600	1,600	1,600
UPGRADE SEWAGE TREATMENT PLANT	2,900	2,900	2,900	2,900

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, TURKEY	11,500	11,500	11,500	11,500
UNITED KINGDOM				
AIR FORCE				
RAF LAKENHEATH				
ADD TO MISSILE MAINTENANCE FACILITY	1,820	1,820	1,820	1,820
RAF MILDENHALL				
ADD/ALTER CHILD DEVELOPMENT CENTER	2,250	2,250	2,250	2,250
DEFENSE-WIDE				
MENWITH HILL STATION				
WAREHOUSE SPRINKLERS	677	677	677	677
TOTAL, UNITED KINGDOM	4,747	4,747	4,747	4,747
OVERSEAS CLASSIFIED				
AIR FORCE				
OVERSEAS CLASSIFIED				
VEHICLE MAINTENANCE FACILITY	1,600	1,600	---	1,600
WAR READINESS MATERIAL WAREHOUSES	15,500	15,500	---	15,500
TOTAL, OVERSEAS CLASSIFIED	17,100	17,100	---	17,100
OVERSEAS VARIOUS				
ARMY				
VARIOUS LOCATIONS				
STRATEGIC LOGISTICAL PREPO COMPLEX (PHASE I)	48,000	48,000	---	48,000
NATO				
NATO SECURITY INVESTMENT PROGRAM	179,000	161,000	161,000	161,000
WORLDWIDE UNSPECIFIED				
ARMY				
UNSPECIFIED WORLDWIDE LOCATIONS				
ARMY - HOST NATION SUPPORT	20,000	20,000	25,000	20,000
PLANNING AND DESIGN	32,894	50,778	44,034	44,034
UNSPECIFIED MINOR CONSTRUCTION	9,000	9,000	19,000	9,000
NAVY				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	46,477	66,184	49,477	50,477
UNSPECIFIED MINOR CONSTRUCTION	7,200	7,200	16,200	7,200
AIR FORCE				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	30,835	49,021	23,894	26,594
UNSPECIFIED MINOR CONSTRUCTION	9,030	9,030	9,030	9,030
DEFENSE-WIDE				
UNSPECIFIED WORLDWIDE LOCATIONS				
CONTINGENCY CONSTRUCTION	11,037	11,037	11,037	11,037

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ENERGY CONSERVATION INVESTMENT PROGRAM	50,000	50,000	75,000	50,000
PLANNING AND DESIGN				
CHEMICAL DEMILITARIZATION PROGRAM	13,000	13,000	13,000	13,000
SPECIAL OPERATIONS COMMAND	5,407	5,407	7,407	5,407
DEFENSE FINANCE AND ACCOUNTING SERVICE	8,600	8,600	8,600	8,600
BALLISTIC MISSILE DEFENSE ORGANIZATION	500	500	500	500
DEFENSE MEDICAL SUPPORT ACTIVITY	28,330	28,330	38,685	28,330
DEFENSE LEVEL ACTIVITIES	13,000	13,000	15,800	13,000
SUBTOTAL, PLANNING AND DESIGN	68,837	68,837	83,992	68,837
UNSPECIFIED MINOR CONSTRUCTION				
SPECIAL OPERATIONS COMMAND	1,700	1,700	2,466	1,700
BALLISTIC MISSILE DEFENSE ORGANIZATION	2,909	2,909	2,909	2,909
DEFENSE MEDICAL SUPPORT ACTIVITY	5,100	5,100	5,100	5,100
DEFENSE LEVEL ACTIVITIES	3,100	3,100	3,100	3,100
JOINT CHIEFS OF STAFF	6,198	6,198	6,198	6,198
DOD DEPENDENT SCHOOLS	4,000	4,000	4,000	4,000
SUBTOTAL, UNSPECIFIED MINOR CONSTRUCTION	23,007	23,007	23,773	23,007
ARMY NATIONAL GUARD				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	2,900	15,200	14,008	7,408
UNSPECIFIED MINOR CONSTRUCTION	5,300	5,300	6,110	5,300
AIR NATIONAL GUARD				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	4,580	6,450	9,680	6,450
UNSPECIFIED MINOR CONSTRUCTION	4,100	4,100	4,455	4,455
ARMY RESERVE				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	3,694	3,694	8,872	3,694
UNSPECIFIED MINOR CONSTRUCTION	1,700	1,700	1,700	1,700
NAVY RESERVE				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	954	1,554	954	954
AIR FORCE RESERVE				
UNSPECIFIED WORLDWIDE LOCATIONS				
PLANNING AND DESIGN	2,700	2,950	3,015	2,950
UNSPECIFIED MINOR CONSTRUCTION	4,169	4,169	4,169	4,169
TOTAL, WORLDWIDE UNSPECIFIED	338,414	409,211	433,400	356,296
WORLDWIDE VARIOUS				
ARMY				
VARIOUS LOCATIONS				
RESCISSION, FISCAL YEAR 1992	---	---	-6,245	---
AIR FORCE				
VARIOUS LOCATIONS				
RESCISSION, FISCAL YEAR 1992	---	---	-16,005	-8,765

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR NATIONAL GUARD				
VARIOUS LOCATIONS				
RESCISSION, FISCAL YEAR 1994	---	---	-6,700	-6,700
DEFENSE-WIDE				
VARIOUS LOCATIONS				
RESCISSION, FISCAL YEAR 1991	---	---	-3,234	---
RESCISSION, FISCAL YEAR 1992	---	---	-6,800	-6,800
RESCISSION, FISCAL YEAR 1993	---	---	-8,590	-8,590
RESCISSION, FISCAL YEAR 1994	---	---	-8,131	-8,131
TOTAL, WORLDWIDE VARIOUS	---	---	-55,705	-38,986

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FAMILY HOUSING, ARMY				
ALABAMA				
REDSTONE ARSENAL (118 UNITS)	---	12,000	---	---
ALASKA				
FORT WAINWRIGHT NEIGHBORHOOD IMPROVEMENT (44 UNITS)	---	---	7,300	---
KENTUCKY				
FORT KNOX (150 UNITS)	---	19,000	---	19,000
NEW MEXICO				
WHITE SANDS NEIGHBORHOOD IMPROVEMENT (36 UNITS)	---	---	3,400	---
NEW YORK				
U.S. MILITARY ACADEMY (119 UNITS)	16,500	16,500	---	16,500
VIRGINIA				
FORT LEE (135 UNITS)	---	19,500	---	19,500
WASHINGTON				
FORT LEWIS (84 UNITS)	10,800	10,800	10,800	10,800
CONSTRUCTION IMPROVEMENTS	14,200	46,600	44,712	48,856
PLANNING	2,000	2,000	5,540	2,000
SUBTOTAL, CONSTRUCTION	43,500	126,400	71,752	116,656
OPERATION AND MAINTENANCE				
FURNISHINGS ACCOUNT	48,822	48,822	52,422	48,822
MANAGEMENT ACCOUNT	84,726	84,726	84,726	84,726
MISCELLANEOUS ACCOUNT	1,286	1,286	1,286	1,286
SERVICES ACCOUNT	53,243	53,243	53,243	53,243
UTILITIES ACCOUNT	271,376	271,376	271,376	271,376
LEASING	243,840	243,840	243,840	243,840
MAINTENANCE OF REAL PROPERTY	634,292	634,292	632,292	632,292
INTEREST PAYMENTS	11	11	11	11
SUBTOTAL, OPERATION AND MAINTENANCE	1,337,596	1,337,596	1,339,196	1,335,596
TOTAL, FAMILY HOUSING, ARMY	1,381,096	1,463,996	1,410,948	1,452,252

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FAMILY HOUSING, NAVY				
CALIFORNIA				
LEMOORE NAVAL AIR STATION (240 UNITS)	34,900	34,900	34,900	34,900
MARINE CORPS BASE CAMP PENDLETON (COMMUNITY CENTER)	1,438	1,438	1,438	1,438
MARINE CORPS BASE CAMP PENDLETON (HOUSING OFFICE)	707	707	---	707
MARINE CORPS BASE CAMP PENDLETON (69 UNITS)	10,000	10,000	10,000	10,000
MARINE CORPS BASE CAMP PENDLETON (69 UNITS)	---	20,080	---	10,000
PACIFIC MISSILE TEST CENTER POINT MUGU (HOUSING OFFICE/SELF HELP CENTER)	1,020	1,020	---	1,020
PUBLIC WORKS CENTER SAN DIEGO (346 UNITS)	49,310	49,310	49,310	49,310
HAWAII				
PUBLIC WORKS CENTER, PEARL HARBOR (252 UNITS)	48,400	48,400	48,400	48,400
MARYLAND				
NAVAL AIR TEST CENTER PATUXENT RIVER (HOUSING WAREHOUSE/SELF HELP CENTER)	890	890	890	890
USNA ANNAPOLIS (HOUSING OFFICE/SELF HELP CENTER)	800	800	---	800
NORTH CAROLINA				
MARINE CORPS AIR STATION CHERRY POINT (COMMUNITY CENTER)	1,003	1,003	1,003	1,003
PENNSYLVANIA				
NSCC MECHANICSBURG (HOUSING OFFICE)	300	300	---	300
VIRGINIA				
DAHLGREN NAVAL SURFACE WARFARE CENTER (HOUSING OFFICE/SELF HELP CENTER)	520	520	---	520
PUBLIC WORKS CENTER NORFOLK (HOUSING OFFICE/HOUSING WAREHOUSE)	1,390	1,390	1,390	1,390
PUBLIC WORKS CENTER NORFOLK (320 UNITS)	42,500	42,500	42,500	42,500
WASHINGTON				
HOUSING REVITALIZATION BANGOR (141 UNITS)	---	---	4,890	---
WEST VIRGINIA				
SUGAR GROVE (23 UNITS)	---	---	3,590	3,590
PUERTO RICO				
NS ROOSEVELT ROADS (HOUSING OFFICE)	710	710	---	710
CONSTRUCTION IMPROVEMENTS	247,477	292,931	289,046	293,190
PLANNING	24,390	24,390	25,590	24,390
SUBTOTAL, CONSTRUCTION	465,755	531,289	512,947	525,058

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
OPERATION AND MAINTENANCE				
FURNISHINGS ACCOUNT	35,320	35,320	38,920	35,320
MANAGEMENT ACCOUNT	93,170	93,170	93,170	93,170
MISCELLANEOUS ACCOUNT	1,252	1,252	1,252	1,252
SERVICES ACCOUNT	66,363	66,363	66,363	66,363
UTILITIES ACCOUNT	214,537	214,537	214,537	214,537
LEASING	103,582	103,582	103,582	103,582
MAINTENANCE OF REAL PROPERTY	534,023	534,023	534,023	534,023
MORTGAGE INSURANCE PREMIUMS	82	82	82	82
SUBTOTAL, OPERATION AND MAINTENANCE	1,048,329	1,048,329	1,051,929	1,048,329
TOTAL, FAMILY HOUSING, NAVY	1,514,084	1,579,618	1,564,876	1,573,387

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FAMILY HOUSING, AIR FORCE				
ALASKA				
ELMENDORF AFB (HOUSING OFFICE/MAINTENANCE FACILITY).	3,000	3,000	3,000	3,000
ARIZONA				
DAVIS-MONTHAN AFB (80 UNITS).....	9,498	9,498	9,498	9,498
ARKANSAS				
LITTLE ROCK AFB (1 GENERAL OFFICER'S QUARTERS).....	210	---	---	---
CALIFORNIA				
BEALE AFB (HOUSING OFFICE).....	842	842	---	842
EDWARDS AFB (67 UNITS).....	11,350	11,350	11,350	11,350
EDWARDS AFB (60 UNITS).....	---	9,400	---	9,400
VANDENBERG AFB (HOUSING OFFICE).....	900	900	---	900
VANDENBERG AFB (143 UNITS).....	20,200	20,200	20,200	20,200
COLORADO				
PETERSON AFB (HOUSING OFFICE).....	570	570	---	570
DISTRICT OF COLUMBIA				
BOLLING AFB (32 UNITS).....	4,100	4,100	4,100	4,100
FLORIDA				
EGLIN AFB (HOUSING OFFICE).....	500	500	---	---
EGLIN AFB HURLBURT FIELD (HOUSING SERVICE CENTER)...	880	880	880	880
MACDILL AFB (HOUSING OFFICE).....	646	646	---	646
PATRICK AFB (70 UNITS).....	7,947	7,947	7,947	7,947
TYNDALL AFB (52 UNITS).....	5,500	5,500	5,500	5,500
TYNDALL AFB (30 UNITS).....	---	4,300	---	4,300
GEORGIA				
MOODY AFB (3 GENERAL & SENIOR OFFICER'S QUARTERS)...	513	513	---	---
ROBINS AFB (83 UNITS).....	---	---	9,800	9,800
IDAHO				
MOUNTAIN HOME AFB (HOUSING OFFICE).....	844	844	---	844
KANSAS				
MCCONNELL AFB (39 UNITS).....	5,193	5,193	5,193	5,193
LOUISIANA				
BARKSDALE AFB (62 UNITS).....	10,299	10,299	10,299	10,299
MASSACHUSETTS				
HANSCOM AFB (32 UNITS).....	---	---	5,200	4,900
MISSISSIPPI				
KEELSER AFB (98 UNITS).....	9,300	9,300	9,300	9,300
MISSOURI				
WHITEMAN AFB (72 UNITS).....	9,948	9,948	9,948	9,948
NEVADA				
NELLIS AFB (6 SENIOR OFFICER QUARTERS).....	1,357	---	---	---
NELLIS AFB (96 UNITS).....	---	21,000	---	15,000
NELLIS (45 UNITS).....	---	---	6,000	---
NEW MEXICO				
HOLLOMAN AFB (1 GENERAL OFFICER QUARTERS).....	225	---	---	---
KIRTLAND AFB (105 UNITS).....	11,000	11,000	11,000	11,000
NORTH CAROLINA				
POPE AFB (104 UNITS).....	9,984	9,984	9,984	9,984

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
SEYMOUR JOHNSON AFB (1 GENERAL OFFICER QUARTERS)....	204	---	---	---
OHIO				
WRIGHT PATTERSON AFB (IMPROVE 66 UNITS).....	---	---	5,900	---
SOUTH CAROLINA				
SHAW AFB (MAINTENANCE FACILITY).....	715	715	715	715
TEXAS				
DYESS AFB (MAINTENANCE FACILITY).....	580	580	580	580
LACKLAND AFB (67 UNITS).....	6,200	6,200	6,200	6,200
SHEPPARD AFB (HOUSING OFFICE).....	500	500	---	500
SHEPPARD AFB (MAINTENANCE FACILITY).....	600	600	600	600
WASHINGTON				
MCCHORD AFB (50 UNITS).....	9,504	9,504	9,504	9,504
GUAM				
ANDERSEN AFB (HOUSING OFFICE).....	1,700	1,700	---	---
TURKEY				
INCIRLICK AB (150 UNITS).....	10,146	10,146	10,146	10,146
CONSTRUCTION IMPROVEMENTS.....	85,059	90,959	85,059	95,103
PLANNING.....	8,989	8,989	9,234	8,989
TECHNICAL ADJUSTMENT (HOUSE FLOOR AMENDMENT).....	---	-90	---	---
SUBTOTAL, CONSTRUCTION.....	249,003	287,517	267,137	297,738
OPERATION AND MAINTENANCE				
FURNISHINGS ACCOUNT.....	43,000	43,000	43,000	43,000
MANAGEMENT ACCOUNT.....	45,154	45,154	45,154	45,154
MISCELLANEOUS ACCOUNT.....	5,678	5,678	5,678	5,678
SERVICES ACCOUNT.....	33,177	33,177	33,177	33,177
UTILITIES ACCOUNT.....	197,539	197,539	197,539	197,539
LEASING.....	115,665	115,665	115,665	115,665
MAINTENANCE OF REAL PROPERTY.....	408,971	422,971	409,817	408,971
MORTGAGE INSURANCE PREMIUMS.....	29	29	29	29
SUBTOTAL, OPERATION AND MAINTENANCE.....	849,213	863,213	850,059	849,213
TOTAL, FAMILY HOUSING, AIR FORCE.....	1,098,216	1,150,730	1,117,196	1,146,951

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
FAMILY HOUSING, DEFENSE-WIDE				
CONSTRUCTION IMPROVEMENTS (NATIONAL SECURITY AGENCY/UNITED KINGDOM)	50	50	50	50
CONSTRUCTION IMPROVEMENTS (NEW CUMBERLAND, PA)	3,722	3,722	3,722	3,722
SUBTOTAL, CONSTRUCTION	3,772	3,772	3,772	3,772
OPERATION AND MAINTENANCE				
FURNISHINGS ACCOUNT	3,400	3,400	4,400	3,400
MANAGEMENT ACCOUNT	231	231	231	231
MISCELLANEOUS ACCOUNT	36	36	36	36
SERVICES ACCOUNT	383	383	383	383
UTILITIES ACCOUNT	746	746	746	746
LEASING	24,874	24,874	24,874	24,874
MAINTENANCE OF REAL PROPERTY	797	797	11,697	797
SUBTOTAL, OPERATION AND MAINTENANCE	30,467	30,467	42,367	30,467
TOTAL, FAMILY HOUSING, DEFENSE-WIDE	34,239	34,239	46,139	34,239
DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND				
DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND	22,000	22,000	22,000	22,000
HOMEOWNERS ASSISTANCE FUND				
HOMEOWNERS ASSISTANCE FUND	75,586	75,586	75,586	75,586

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II				
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II.....	964,843	964,843	964,843	964,843
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III				
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III.....	2,148,480	2,148,480	2,148,480	2,148,480
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART IV				
BASE REALIGNMENT AND CLOSURE ACCOUNT, PART IV.....	784,569	784,569	784,569	784,569
TOTAL, BASE REALIGNMENT AND CLOSURE ACCOUNT.....	3,897,892	3,897,892	3,897,892	3,897,892
GRAND TOTAL.....	10,697,995	11,177,009	11,158,995	11,177,009

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1996 recommended by the Committee of Conference, with comparisons to the fiscal year 1995 amount, the 1996 budget estimates, and the House and Senate bills for 1996 follow:

New budget (obligational) authority, fiscal year 1995	$8,735,400,000
Budget estimates of new (obligational) authority, fiscal year 1996	10,697,995,000
House bill, fiscal year 1996	11,177,009,000
Senate bill, fiscal year 1996	11,158,995,000
Conference agreement, fiscal year 1996	11,177,009,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1995	+2,441,609,000
Budget estimates of new (obligational) authority, fiscal year 1996	+479,014,000
House bill, fiscal year 1996	---
Senate bill, fiscal year 1996	+18,014,000

BARBARA F. VUCANOVICH,
SONNY CALLAHAN,
JOSEPH M. MCDADE,
JOHN T. MYERS,
JOHN EDWARD PORTER,
ERNEST J. ISTOOK, Jr.,
ROGER F. WICKER,
BOB LIVINGSTON,
W.G. (BILL) HEFNER,
THOMAS M. FOGLIETTA,
PETER J. VISCLOSKY,
ESTEBAN EDWARD TORRES,
Managers on the Part of the House.

CONRAD BURNS,
TED STEVENS,
RICHARD C. SHELBY,
JUDD GREGG,
HARRY REID,
DANIEL K. INOUYE,
ROBERT C. BYRD,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

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

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

Mr. BONIOR, for 5 minutes, today.
Mr. GIBBONS, for 5 minutes, today.
Mr. WISE, for 5 minutes, today.
Mr. FRANK of Massachusetts, for 5 minutes, today.
Mr. WARD, for 5 minutes, today.
Ms. KAPTUR, for 5 minutes, today.
Mr. UNDERWOOD, for 5 minutes, today.
Mr. SKAGGS, for 5 minutes, today.

EXTENSION OF REMARKS

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

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

Mr. FAZIO of California.
Mr. LEVIN.
Mr. KILDEE in two instances.
Ms. VELÁZQUEZ.
Ms. DELAURO.
Mr. PAYNE of New Jersey in two instances.
Ms. NORTON.
Mr. KANJORSKI.

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

Mr. KING.
Mr. TIAHRT.
Mr. EVERETT.
Mr. BOEHLERT.
Mr. PORTMAN in two instances.
Mr. STEARNS.
Mrs. JOHNSON of Connecticut.

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

Mr. EHRLICH.
Mr. BARCIA.
Ms. DELAURO.
Mr. RUSH.
Ms. HARMAN.

ADJOURNMENT

Mr. HOKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until Monday, September 18, 1995, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

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

1426. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of intent to obligate funds for International Narcotics Control [INC] programs in Peru, the Dominican Republic, El Salvador, and Liberia, pursuant to 22 U.S.C. 2291(b)(2); to the Committee on Appropriations.

1427. A letter from the Assistant Secretary for Environment, Safety, and Health, Department of Energy, transmitting a summary of the draft waste management programmatic environmental impact statement [PEIS]; to the Committee on Commerce.

1428. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice that the President has authorized the furnishing of fiscal year 1995 international organizations and programs [IO&P] funds to the Korean Peninsula Energy Development Organization (Presidential Determination No. 95–40), pursuant to 22 U.S.C. 2364(a)(2); to the Committee on International Relations.

1429. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

1430. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

1431. A letter from the Attorney General of the United States, transmitting the Attorney General's report to the President: ''The First Year of the Violent Crime Control Act of 1994''; to the Committee on the Judiciary.

1432. A letter from the Chair, Commission on Legal Immigration Reform, transmitting the Commission's 1995 report on legal immigration, pursuant to Public Law 101–649, section 141(b) (104 Stat. 5002); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. BLILEY: Committee on Commerce. H.R. 1872. A bill to amend the Public Health Service Act to revise and extend programs established pursuant to the Ryan White Comprehensive AIDS Resources Emergency Act of 1990; with an amendment (Rept. 104–245). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2274. A bill to amend title 23, United States Code, to designate the National Highway System, and for other purposes; with an amendment (Rept. 104–246). Referred to the Committee of the Whole House on the State of the Union.

Mrs. VUCANOVICH: Committee of Conference. Conference report on H.R. 1817. A bill making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104–247). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BROWN of Ohio:

H.R. 2329. A bill to amend title XVIII of the Social Security Act to provide protections for Medicare beneficiaries who enroll in Medicare managed care plans; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. EMERSON (for himself, Mr. COMBEST, Mr. BAKER of Louisiana, Mr. LIVINGSTON, Mr. TAUZIN, Mr. MCCRERY, Mr. LAUGHLIN, Mr. CHAMBLISS, Mr. PARKER, Mr. EVERETT, Mr. WICKER, Mr. THORNBERRY, Mr. HAYES, Mr. TAYLOR of Mississippi, and Mr. DICKEY):

H.R. 2330. A bill to amend the Agricultural Act of 1949 to extend the agricultural price support programs for certain commodities through 2002 and to modify the operation of such programs, and for other purposes; to the Committee on Agriculture.

By Mr. EHRLICH (for himself, Mr. CLINGER, Mr. BLUTE, Mr. SOUDER, Mr. SHADEGG, Mr. FOX, Mr. MCINTOSH, and Mr. DAVIS):

H.R. 2331. A bill to provide for the modification or elimination of Federal reporting requirements; to the Committee on Government Reform and Oversight.

By Mr. MCKEON:

H.R. 2332. A bill to consolidate and reform workforce development and literacy programs, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mr. ENSIGN (for himself, and Mr. MATSUI):

H.R. 2333. A bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits; to the Committee on Ways and Means.

By Mr. BILBRAY (for himself, Mr. MOORHEAD, Mr. THOMAS, Mr. DREIER, Mr. PACKARD, Mr. HUNTER, Mr. DORNAN, Mr. CUNNINGHAM, Mr. YOUNG of Alaska, and Mr. SCHAEFER):

H.R. 2334. A bill to convey 1,000 acres of Federal land in San Bernardino County, CA, for use as the site of the Southwestern Low-Level Radioactive Waste Disposal Compact's regional disposal facility; to the Committee on Commerce.

By Mr. CHAMBLISS (for himself, Mr. CALLAHAN, Mr. CHAPMAN, Mr. BACHUS, Mr. HILLIARD, Mr. MONTGOMERY, Mr. NORWOOD, Mr. PARKER, Mr. DEAL of Georgia, Mr. TATE, Ms. DUNN of Washington, Mr. HAYES, Mr. PETERSON of Florida, and Mr. BISHOP):

H.R. 2335. A bill to amend the Solid Waste Disposal Act to exempt from the solid waste designation all recoverable materials that are contained, collected, and returned to an industrial process; to the Committee on Commerce.

By Mr. BARR (for himself, Mr. KINGSTON, Mr. NORWOOD, Ms. MCKINNEY, Mr. CHAMBLISS, Mr. DEAL of Georgia, Mr. LEWIS of Georgia, Mr. COLLINS of Georgia, Mr. BISHOP, and Mr. LINDER):

H.R. 2336. A bill to amend the Doug Barnard, Jr., 1996 Atlanta Centennial Olympic Games Commemorative Coin Act, and for other purposes; to the Committee on Banking and Financial Services.

By Mrs. JOHNSON of Connecticut (for herself, and Mr. MATSUI):

H.R. 2337. A bill to amend the Internal Revenue Code of 1986 to provide for increased taxpayer protections; to the Committee on Ways and Means.

By Mr. KLINK:

H.R. 2338. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to an individual training account; to the Committee on Ways and Means.

By Mr. MINGE (for himself, Mr. BARRET of Nebraska, and Mr. JOHNSON of South Dakota):

H.R. 2339. A bill to amend the Agricultural Act of 1949 to permit producers to adopt integrated, site-specific farm management plans that provide for resource-conserving crop rotation, special conservation practices, rotational grazing, and biomass production operations and practices; to the Committee on Agriculture.

By Ms. MOLINARI:

H.R. 2340. A bill to amend the United States Housing Act of 1937 to provide for more expeditious evictions from public housing, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. SALMON (for himself, Mr. BAKER of California, Mr. BALLENGER, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BRYANT of Tennessee, Mr. CHRISTENSEN, Mr. CHRYSLER, Mrs. CUBIN, Mr. DAVIS, Mr. DOOLITTLE, Mr. DORNAN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. FORBES, Mr. FOX, Mr. GRAHAM, Mr. HASTERT, Mr. HAYWORTH, Mr. HILLEARY, Mr. HOSTETTLER, Mr. INGLIS of South Carolina, Mrs. KELLY, Mr. METCALF, Mr. ROHRABACHER, Mr. SHADEGG, Mr. STUMP, and Mr. WELLER):

H.R. 2341. A bill to amend chapter 89 of title 5, United States Code, to permit Federal employees and annuitants to elect to receive contributions into medical savings accounts under the Federal Employees Health Benefits Program [FEHBP]; to the Committee on Government Reform and Oversight.

By Mr. SMITH of Texas (for himself and Mr. BRYANT of Texas):

H.R. 2342. A bill to authorize associations of independent producers of natural gas; to the Committee on the Judiciary.

By Mr. THOMPSON (for himself and Mr. WICKER):

H.R. 2343. A bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes; to the Committee on Agriculture.

By Ms. VELAZQUEZ (for herself and Ms. MOLINARI):

H.R. 2344. A bill to establish the Lower East Side Tenement Museum National Historic Site, and for other purposes; to the Committee on Resources.

By Mr. LIPINSKI (for himself and Mr. HYDE):

H. Con. Res. 101. Concurrent resolution expressing the sense of Congress with respect to certain court orders relating to the desegregation of schools; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAPO:

H.R. 2345. A bill for the relief of Matt Clawson; to the Committee on the Judiciary.

By Mr. HUNTER:

H.R. 2346. A bill for the relief of Heraclio Tolley; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

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

H.R. 38: Mr. TALENT, Mr. FORBES, Mr. DIAZ-BALART, Mr. DEAL of Georgia, Mrs. SMITH of Washington, Mr. FIELDS of Texas, Mr. LAHOOD, Mr. NETHERCUTT, Mr. OWENS, Mr. MCHALE, Mr. MICA, Mr. HILLEARY, Mr. PAYNE of Virginia, Mr. TATE, and Mr. JACOBS.

H.R. 103: Mr. KILDEE.

H.R. 104: Mr. LUTHER, Mrs. MEYERS of Kansas, and Mr. TAYLOR of North Carolina.

H.R. 444: Mr. GUTIERREZ.

553: Mr. FATTAH.

580: Mr. WILLIAMS and Mr. EHRLICH.

662: Mr. SOUDER, Mr. KNOLLENBERG, Ms. DUNN of Washington, Mr. CRAMER, and Mrs. SMITH of Washington.

H.R. 743: Mr. HEINEMAN, Mr. GEKAS, Ms. DUNN of Washington, and Mr. NUSSLE.

H.R. 773: Mr. FRELINGHUYSEN.

H.R. 789: Mr. TEJEDA.

H.R. 878: Mr. COYNE and Mr. ANDREWS.

H.R. 940: Mr. FORD, Mr. EVANS, and Mr. DIXON.

H.R. 950: Mr. NADLER.

H.R. 1078: Mr. BACHUS and Ms. KAPTUR.

H.R. 1094: Mr. MCHUGH, Mr. LUTHER, Mr. MEEHAN, Mr. KLUG, Mr. FROST, and Mr. JACOBS.

H.R. 1110: Mrs. MEYERS of Kansas and Mr. COOLEY.

H.R. 1133: Mr. JOHNSON of South Dakota.

H.R. 1203: Mr. SCHIFF and Mr. SHAYS.

H.R. 1386: Mr. FOLEY.

H.R. 1507: Mr. MORAN.

H.R. 1647: Mr. LEWIS of Georgia.

H.R. 1700: Ms. ROYBAL-ALLARD and Mrs. SCHROEDER.

H.R. 1733: Mr. KIM, Mr. NADLER, Mr. STUDDS, and Mr. JOHNSTON of Florida.

H.R. 1787: Mrs. FOWLER, Mr. ROBERTS, Mr. FOLEY, and Mr. LEWIS of California.

H.R. 1810: Mr. ROHRABACHER.

H.R. 1818: Mr. PETE GEREN of Texas, Mrs. KELLY, and Ms. MOLINARI.

H.R. 1833: Mr. ROEMER, Mr. BUNN of Oregon, Mr. MICA, Mr. CALVERT, Mr. BUYER, Mr. FUNDERBURK, Mr. STUMP, Mr. MYERS of Indiana, Mr. KINGSTON, Mr. CALLAHAN, Mr. WALKER, Mr. WOLF, and Mr. NEUMANN.

H.R. 1872: Mr. JACOBS.

H.R. 1883: Mr. COLLINS of Georgia and Mr. DEAL of Georgia.

H.R. 1950: Mr. JOHNSTON of Florida and Mr. FRANKS of New Jersey.

H.R. 2008: Mr. HOSTETTLER.

H.R. 2027: Mr. GUTIERREZ and Mr. TOWNS.

H.R. 2029: Mr. LEWIS of Kentucky, Mr. WHITFIELD, Mr. MCHUGH, Mr. BONIOR, Ms. MCKINNEY, and Mr. CHAMBLISS.

H.R. 2069: Mr. OLVER.

H.R. 2072: Mr. HOEKSTRA.

H.R. 2137: Mr. LIVINGSTON and Mrs. VUCANOVICH.

H.R. 2144: Mr. HANCOCK, Mr. PAYNE of Virginia, Mr. TAYLOR of North Carolina, Mr. BURR, Mr. SOUDER, and Mr. STUPAK.

H.R. 2184: Mrs. MORELLA, Mr. WYNN, Mr. HALL of Ohio, Mr. CRAMER, and Mr. BORSKI.

H.R. 2197: Mr. INGLIS of South Carolina, Mrs. CHENOWETH, and Mr. SANFORD.

H.R. 2200: Mr. THORNBERRY, Mr. EMERSON, Mr. SKELTON, Mr. BAKER of Louisiana, Mr. THORNTON, and Mr. NORWOOD.

H.R. 2216: Mr. LUTHER.

H.R. 2219: Mr. MCHALE.

H.R. 2240: Mr. SHAYS, Mr. WHITFIELD, Mr. GUTIERREZ, Mr. TORRES, Ms. MOLINARI, Mr. LEWIS of Georgia, Mr. BROWN of California, Mr. EVANS, Mr. FILNER, Mr. ALLARD, Mr. JOHNSTON of Florida, and Mr. LIPINSKI.

H.R. 2244: Mrs. MEYERS of Kansas, Mr. COBLE, and Mr. REED.

H.R. 2252: Ms. LOFGREN.

H.R. 2275: Mr. DICKEY, Mr. CHAPMAN, Mr. SHUSTER, Mr. NEY, Mr. SPENCE, Mr. TIAHRT, Mr. CAMP, Mr. GEKAS, Mr. MCDADE, Mr. NORWOOD, Mr. DEAL of Georgia, Mr. CHRISTENSEN, Mr. BATEMAN, Mr. METCALF, Mr. LAHOOD, Mr. HASTERT, Mr. PARKER, Ms. DUNN of Washington, Mr. HOEKSTRA, Mr. MYERS of Indiana, Mr. SCARBOROUGH, Mr. MARTINEZ, and Mr. ROTH.

H.R. 2281: Mr. PARKER, Mr. MCDERMOTT, Mrs. SCHROEDER, Mr. SPRATT, Mr. BARCIA of Michigan, Mr. FRANK of Massachusetts, Ms. LOFGREN, Ms. ESHOO, and Ms. MCKINNEY.

H.R. 2306: Mr. PARKER.

H.J. Res. 70: Mr. CLAY.

H. Con. Res. 42: Mr. WELDON of Pennsylvania and Mr. FRANKS of Connecticut.

H. Res. 37: Mr. HASTERT.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 927

OFFERED BY: MR. BURTON OF INDIANA

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Purposes.
Sec. 4. Definitions.

TITLE I—SEEKING SANCTIONS AGAINST THE CASTRO GOVERNMENT

Sec. 101. Statement of policy.
Sec. 102. Enforcement of the economic embargo of Cuba.
Sec. 103. Prohibition against indirect financing of the Castro dictatorship.
Sec. 104. United States opposition to Cuban membership in international financial institutions.
Sec. 105. United States opposition to ending the suspension of the Government of Cuba from the Organization of American States.
Sec. 106. Assistance by the Independent States of the former Soviet Union for the Cuban Government.
Sec. 107. Television broadcasting to Cuba.
Sec. 108. Reports on assistance and commerce received by Cuba from other foreign countries.
Sec. 109. Authorization of support for democratic and human rights groups and international observers.
Sec. 110. Withholding of foreign assistance from countries supporting nuclear plant in Cuba.
Sec. 111. Expulsion of criminals from Cuba.

TITLE II—ASSISTANCE TO A FREE AND INDEPENDENT CUBA

Sec. 201. Policy toward a transition government and a democratically elected government in Cuba.
Sec. 202. Authorization of assistance for the Cuban people.
Sec. 203. Coordination of assistance program; implementation and reports to Congress; reprogramming.
Sec. 204. Termination of the economic embargo of Cuba.
Sec. 205. Requirements for a transition government.
Sec. 206. Requirements for a democratically elected government.

TITLE III—PROTECTION OF PROPERTY RIGHTS OF UNITED STATES NATIONALS AGAINST CONFISCATORY TAKINGS BY THE CASTRO REGIME

Sec. 301. Statement of policy.
Sec. 302. Liability for trafficking in property confiscated from United States nationals.
Sec. 303. Determination of claims to confiscated property.
Sec. 304. Exclusivity of Foreign Claims Settlement Commission certification procedure.

TITLE IV—EXCLUSION OF CERTAIN ALIENS

Sec. 401. Exclusion from the United States of aliens who have confiscated property of United States nationals or who traffic in such property.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The economy of Cuba has experienced a decline of at least 60 percent in the last 5 years as a result of—

(A) the end of its subsidization by the former Soviet Union of between 5 billion and 6 billion dollars annually;

(B) 36 years of Communist tyranny and economic mismanagement by the Castro government;

(C) the extreme decline in trade between Cuba and the countries of the former Soviet bloc; and

(D) the stated policy of the Russian Government and the countries of the former Soviet bloc to conduct economic relations with Cuba on strictly commercial terms.

(2) At the same time, the welfare and health of the Cuban people have substantially deteriorated as a result of this economic decline and the refusal of the Castro regime to permit free and fair democratic elections in Cuba.

(3) The Castro regime has made it abundantly clear that it will not engage in any substantive political reforms that would lead to democracy, a market economy, or an economic recovery.

(4) The repression of the Cuban people, including a ban on free and fair democratic elections, and continuing violations of fundamental human rights have isolated the Cuban regime as the only completely nondemocratic government in the Western Hemisphere.

(5) As long as free elections are not held in Cuba, the economic condition of the country and the welfare of the Cuban people will not improve in any significant way.

(6) The totalitarian nature of the Castro regime has deprived the Cuban people of any peaceful means to improve their condition and has led thousands of Cuban citizens to risk or lose their lives in dangerous attempts to escape from Cuba to freedom.

(7) Radio Marti and Television Marti have both been effective vehicles for providing the people of Cuba with news and information and have helped to bolster the morale of the people of Cuba living under tyranny.

(8) The consistent policy of the United States towards Cuba since the beginning of the Castro regime, carried out by both Democratic and Republican administrations, has sought to keep faith with the people of Cuba, and has been effective in sanctioning the totalitarian Castro regime.

(9) The United States has shown a deep commitment, and considers it a moral obligation, to promote and protect human rights and fundamental freedoms as expressed in the Charter of the United Nations and in the Universal Declaration of Human Rights.

(10) The Congress has historically and consistently manifested its solidarity and the solidarity of the American people with the democratic aspirations of the Cuban people.

(11) The Cuban Democracy Act of 1992 calls upon the President to encourage the governments of countries that conduct trade with Cuba to restrict their trade and credit relations with Cuba in a manner consistent with the purposes of that Act.

(12) The 1992 FREEDOM Support Act requires that the President, in providing economic assistance to Russia and the emerging Eurasian democracies, take into account the extent to which they are acting to ''terminate support for the communist regime in Cuba, including removal of troops, closing military facilities, and ceasing trade subsidies and economic, nuclear, and other assistance''.

(13) The Cuban Government engages in the illegal international narcotics trade and harbors fugitives from justice in the United States.

(14) The Castro government threatens international peace and security by engaging in acts of armed subversion and terrorism such as the training and supplying of groups dedicated to international violence.

(15) The Castro government has utilized from its inception and continues to utilize torture in various forms (including by psychiatry), as well as execution, exile, confiscation, political imprisonment, and other forms of terror and repression, as means of retaining power.

(16) Fidel Castro has defined democratic pluralism as ''pluralistic garbage'' and continues to make clear that he has no intention of tolerating the democratization of Cuban society.

(17) The Castro government holds innocent Cubans hostage in Cuba by no fault of the hostages themselves solely because relatives have escaped the country.

(18) Although a signatory state to the 1928 Inter-American Convention on Asylum and the International Covenant on Civil and Political Rights (which protects the right to leave one's own country), Cuba nevertheless surrounds embassies in its capital by armed forces to thwart the right of its citizens to seek asylum and systematically denies that right to the Cuban people, punishing them by imprisonment for seeking to leave the country and killing them for attempting to do so (as demonstrated in the case of the confirmed murder of over 40 men, women, and children who were seeking to leave Cuba on July 13, 1994).

(19) The Castro government continues to utilize blackmail, such as the immigration crisis with which it threatened the United States in the summer of 1994, and other unacceptable and illegal forms of conduct to influence the actions of sovereign states in the Western Hemisphere in violation of the Charter of the Organization of American States and other international agreements and international law.

(20) The United Nations Commission on Human Rights has repeatedly reported on the unacceptable human rights situation in Cuba and has taken the extraordinary step of appointing a Special Rapporteur.

(21) The Cuban Government has consistently refused access to the Special Rapporteur and formally expressed its decision not to ''implement so much as one comma'' of the United Nations Resolutions appointing the Rapporteur.

(22) The United Nations General Assembly passed Resolution 1992/70 on December 4, 1992, Resolution 1993/48/142 on December 20, 1993, and Resolution 1994/49/544 on October 19, 1994, referencing the Special Rapporteur's reports to the United Nations and condemning ''violations of human rights and fundamental freedoms'' in Cuba.

(23) Article 39 of Chapter VII of the United Nations Charter provides that the United Nations Security Council ''shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken . . ., to maintain or restore international peace and security.''.

(24) The United Nations has determined that massive and systematic violations of human rights may constitute a ''threat to peace'' under Article 39 and has imposed sanctions due to such violations of human rights in the cases of Rhodesia, South Africa, Iraq, and the former Yugoslavia.

(25) In the case of Haiti, a neighbor of Cuba not as close to the United States as Cuba, the United States led an effort to obtain and did obtain a United Nations Security Council embargo and blockade against that country due to the existence of a military dictatorship in power less than 3 years.

(26) United Nations Security Council Resolution 940 of July 31, 1994, subsequently authorized the use of ''all necessary means'' to restore the ''democratically elected government of Haiti'', and the democratically elected government of Haiti was restored to power on October 15, 1994.

(27) The Cuban people deserve to be assisted in a decisive manner to end the tyranny that has oppressed them for 36 years and the continued failure to do so constitutes ethically improper conduct by the international community.

(28) For the past 36 years, the Cuban Government has posed and continues to pose a national security threat to the United States.

SEC. 3. PURPOSES.

The purposes of this Act are as follows:

(1) To assist the Cuban people in regaining their freedom and prosperity, as well as in joining the community of democracies that are flourishing in the Western Hemisphere.

(2) To seek international sanctions against the Castro government in Cuba.

(3) To encourage the holding of free and fair democratic elections in Cuba, conducted under the supervision of internationally recognized observers.

(4) To develop a plan for furnishing assistance to a transition government and, subsequently, to a democratically elected government when such governments meet the eligibility requirements of this Act.

(5) To protect property rights abroad of United States nationals.

(6) To provide for the continued national security of the United States in the face of continuing threats from the Castro government of terrorism, theft of property from United States nationals, and domestic repression from which refugees flee to United States shores.

SEC. 4. DEFINITIONS.

As used in this Act, the following terms have the following meanings:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(2) COMMERCIAL ACTIVITY.—The term ''commercial activity'' has the meaning given that term in section 1603(d) of title 28, United States Code.

(3) CONFISCATED.—As used in titles I and III, the term ''confiscated'' refers to—

(A) the nationalization, expropriation, or other seizure by the Cuban Government of ownership or control of property, on or after January 1, 1959—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by the Cuban Government of, the default by the Cuban Government on, or the failure by the Cuban Government to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by the Cuban Government;

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by the Cuban Government; or

(iii) a debt which was incurred by the Cuban Government in satisfaction or settlement of a confiscated property claim.

(4) CUBAN GOVERNMENT.—(A) The term ''Cuban Government'' includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

(B) For purposes of subparagraph (A), the term ''agency or instrumentality of the Government of Cuba'' means an agency or instrumentality of a foreign state as defined in section 1603(b) of title 28, United States Code, with ''Cuba'' substituted for ''a foreign state'' each place it appears in such section.

(5) DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.—The term ''democratically elected government in Cuba'' means a government determined by the President to have met the requirements of section 206.

(6) ECONOMIC EMBARGO OF CUBA.—The term ''economic embargo of Cuba'' refers to the economic embargo imposed against Cuba pursuant to section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)), section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)), the International Emergency Economic Powers Act (50 U.S.C. 1701 and following), and the Export Administration Act of 1979 (50 U.S.C. App. 2401 and following), as modified by the Cuban Democracy Act of 1992 (22 U.S.C. 6001 and following).

(7) FOREIGN NATIONAL.—The term ''foreign national'' means—

(A) an alien; or

(B) any corporation, trust, partnership, or other juridical entity not organized under the laws of the United States, or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

(8) KNOWINGLY.—The term ''knowingly'' means with knowledge or having reason to know.

(9) PROPERTY.—(A) The term ''property'' means any property (including patents, copyrights, trademarks, and any other form of intellectual property), whether real, personal, or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

(B) For purposes of title III of this Act, the term ''property'' shall not include real property used for residential purposes unless, as of the date of the enactment of this Act—

(i) the claim to the property is owned by a United States national and the claim has been certified under title V of the International Claims Settlement Act of 1949; or

(ii) the property is occupied by a member or official of the Cuban Government or the ruling political party in Cuba.

(10) TRAFFICS.—(A) As used in title III, a person or entity ''traffics'' in property if that person or entity knowingly and intentionally—

(i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, receives, possesses, obtains control of, manages, uses, or otherwise acquires or holds an interest in confiscated property,

(ii) engages in a commercial activity using or otherwise benefiting from confiscated property, or

(iii) causes, directs, participates in, or profits from, trafficking (as described in clauses (i) and (ii)) by another person, or otherwise engages in trafficking (as described in clauses (i) and (ii)) through another person,

without the authorization of the United States national who holds a claim to the property.

(B) The term ''traffics'' does not include—

(i) the delivery of international telecommunication signals to Cuba that are authorized by section 1705(e) of the Cuban Democracy Act of 1992 (22 U.S.C. 6004(e)); or

(ii) the trading or holding of securities publicly traded or held, unless the trading is with or by a person determined by the Secretary of the Treasury to be a specially designated national.

(11) TRANSITION GOVERNMENT IN CUBA.—The term ''transition government in Cuba'' means a government determined by the President to have met the requirements of section 205.

(12) UNITED STATES NATIONAL.—The term ''United States national'' means—

(A) any United States citizen; or

(B) any other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any other territory or possession of the United States, and which has its principal place of business in the United States.

TITLE I—SEEKING SANCTIONS AGAINST THE CASTRO GOVERNMENT

SEC. 101. STATEMENT OF POLICY.

It is the sense of the Congress that—

(1) the acts of the Castro government, including its massive, systematic, and extraordinary violations of human rights, are a threat to international peace;

(2) the President should advocate, and should instruct the United States Permanent Representative to the United Nations to propose and seek, within the Security Council, a mandatory international embargo against the totalitarian Cuban Government pursuant to chapter VII of the Charter of the United Nations, which is similar to measures taken by United States representatives with respect to Haiti; and

(3) any resumption or commencement of efforts by any state to make operational the nuclear facility at Cienfuegos, Cuba, will have a detrimental impact on United States assistance to and relations with that state.

SEC. 102. ENFORCEMENT OF THE ECONOMIC EMBARGO OF CUBA.

(a) POLICY.—(1) The Congress hereby reaffirms section 1704(a) of the Cuban Democracy Act of 1992 that states the President should encourage foreign countries to restrict trade and credit relations with Cuba.

(2) The Congress further urges the President to take immediate steps to apply the sanctions described in section 1704(b) of that Act against countries assisting Cuba.

(b) DIPLOMATIC EFFORTS.—The Secretary of State shall ensure that United States diplomatic personnel abroad understand and, in their contacts with foreign officials, are communicating the reasons for the United States economic embargo of Cuba, and are urging foreign governments to cooperate more effectively with the embargo.

(c) EXISTING REGULATIONS.—The President should instruct the Secretary of the Treasury and the Attorney General to enforce fully the Cuban Assets Control Regulations set forth in part 515 of title 31, Code of Federal Regulations.

(d) TRADING WITH THE ENEMY ACT.—

(1) CIVIL PENALTIES.—Subsection (b) of section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16(b)) is amended to read as follows:

''(b)(1) A civil penalty of not to exceed $50,000 may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of this Act.

''(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with its tackle, apparel, furniture, and equipment, that is the subject of a violation under paragraph (1) shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States Government.

''(3) The penalties provided under this subsection may not be imposed for—

''(A) news gathering, research, or the export or import of, or transmission of, information or informational materials; or

''(B) clearly defined educational or religious activities, or activities of recognized human rights organizations, that are reasonably limited in frequency, duration, and number of participants.

''(4) The penalties provided under this subsection may be imposed only on the record after opportunity for an agency hearing in accordance with sections 554 through 557 of title 5, United States Code, with the right to prehearing discovery.

''(5) Judicial review of any penalty imposed under this subsection may be had to the extent provided in section 702 of title 5, United States Code.''.

(2) FORFEITURE OF PROPERTY USED IN VIOLATION.—Section 16 of the Trading With the

Enemy Act is further amended by striking subsection (c).

(3) CLERICAL AMENDMENT.—Section 16 of the Trading With the Enemy Act is further amended by inserting ''SEC. 16.'' before ''(a)''.

(e) COVERAGE OF DEBT-FOR-EQUITY SWAPS BY ECONOMIC EMBARGO OF CUBA.—Section 1704(b)(2) of the Cuban Democracy Act of 1992 (22 U.S.C. 6003(b)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

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

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) includes an exchange, reduction, or forgiveness of Cuban debt owed to a foreign country in return for a grant of an equity interest in a property, investment, or operation of the Government of Cuba (including the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba) or of a Cuban national; and''; and

(4) by adding at the end the following flush sentence:

''As used in this paragraph, the term 'agency or instrumentality of the Government of Cuba' means an agency or instrumentality of a foreign state as defined in section 1603(b) of title 28, United States Code, with 'Cuba' substituted for 'a foreign state' each place it appears in such section.''.

SEC. 103. PROHIBITION AGAINST INDIRECT FINANCING OF THE CASTRO DICTATORSHIP.

(a) PROHIBITION.—Notwithstanding any other provision of law, no loan, credit, or other financing may be extended knowingly by a United States national, permanent resident alien, or United States agency, to a foreign national, United States national, or permanent resident alien, in order to finance transactions involving any confiscated property the claim to which is owned by a United States national as of the date of the enactment of this Act.

(b) TERMINATION OF PROHIBITION.—The prohibition of subsection (a) shall cease to apply on the date on which the economic embargo of Cuba terminates under section 205.

(c) PENALTIES.—Violations of subsection (a) shall be punishable by the same penalties as are applicable to violations of the Cuban Assets Control Regulations set forth in part 515 of title 31, Code of Federal Regulations.

(d) DEFINITIONS.—As used in this section—

(1) the term ''permanent resident alien'' means an alien admitted for permanent residence into the United States; and

(2) the term ''United States agency'' has the meaning given the term ''agency'' in section 551(1) of title 5, United States Code.

SEC. 104. UNITED STATES OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) CONTINUED OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.—(1) Except as provided in paragraph (2), the Secretary of the Treasury shall instruct the United States executive director to each international financial institution to use the voice and vote of the United States to oppose the admission of Cuba as a member of that institution until the President submits a determination under section 203(c)(3) that a democratically elected government in Cuba is in power.

(2) Once the President submits a determination under section 203(c)(1) that a transition government in Cuba is in power, the President is encouraged to take steps to support the processing of Cuba's application for membership in any international financial institution, subject to the membership taking effect after a democratically elected government in Cuba is in power.

(b) REDUCTION IN UNITED STATES PAYMENTS TO INTERNATIONAL FINANCIAL INSTITUTIONS.—If any international financial institution approves a loan or other assistance to the Cuban Government over the opposition of the United States, then the Secretary of the Treasury shall withhold from payment to that institution an amount equal to the amount of the loan or other assistance to the Cuban Government, with respect to each of the following types of payment:

(1) The paid-in portion of the increase in capital stock of the institution.

(2) The callable portion of the increase in capital stock of the institution.

(c) DEFINITION.—For purposes of this section, the term ''international financial institution'' means the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the Inter-American Development Bank.

SEC. 105. UNITED STATES OPPOSITION TO ENDING THE SUSPENSION OF THE GOVERNMENT OF CUBA FROM THE ORGANIZATION OF AMERICAN STATES.

The President should instruct the United States Permanent Representative to the Organization of American States to use the voice and vote of the United States to oppose ending the suspension of the Government of Cuba from the Organization until the President determines under section 203(c)(3) that a democratically elected government in Cuba is in power.

SEC. 106. ASSISTANCE BY THE INDEPENDENT STATES OF THE FORMER SOVIET UNION FOR THE CUBAN GOVERNMENT.

(a) REPORTING REQUIREMENT.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report detailing progress towards the withdrawal of personnel of any independent state of the former Soviet Union (within the meaning of section 3 of the FREEDOM Support Act (22 U.S.C. 5801)), including advisers, technicians, and military personnel, from the Cienfuegos nuclear facility in Cuba.

(b) CRITERIA FOR ASSISTANCE.—Section 498A(a)(11) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(a)(11)) is amended by striking ''of military facilities'' and inserting ''military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cienfuegos''.

(c) INELIGIBILITY FOR ASSISTANCE.—(1) Section 498A(b) of that Act (22 U.S.C. 2295a(b)) is amended—

(A) by striking ''or'' at the end of paragraph (4);

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following:

''(5) for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination within that 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Cuban Government; or''.

(2) Subsection (k) of section 498B of that Act (22 U.S.C. 2295b(k)), is amended by adding at the end the following:

''(3) NONMARKET BASED TRADE.—As used in section 498A(b)(5), the term 'nonmarket based trade' includes exports, imports, exchanges, or other arrangements that are provided for goods and services (including oil and other petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

''(A) exports to the Cuban Government on terms that involve a grant, concessional price, guaranty, insurance, or subsidy;

''(B) imports from the Cuban Government at preferential tariff rates;

''(C) exchange arrangements that include advance delivery of commodities, arrangements in which the Cuban Government is not held accountable for unfulfilled exchange contracts, and arrangements under which Cuba does not pay appropriate transportation, insurance, or finance costs; and

''(D) the exchange, reduction, or forgiveness of Cuban debt in return for a grant by the Cuban Government of an equity interest in a property, investment, or operation of the Cuban Government or of a Cuban national.

''(4) CUBAN GOVERNMENT.—(A) The term 'Cuban Government' includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

''(B) For purposes of subparagraph (A), the term 'agency or instrumentality of the Government of Cuba' means an agency or instrumentality of a foreign state as defined in section 1603(b) of title 28, United States Code, with 'Cuba' substituted for 'a foreign state' each place it appears in such section.''.

(d) FACILITIES AT LOURDES, CUBA.—(1) The Congress expresses its strong disapproval of the extension by Russia of credits equivalent to approximately $200,000,000 in support of the intelligence facility at Lourdes, Cuba, in November 1994.

(2) Section 498A of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a) is amended by adding at the end the following new subsection:

''(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—(1) Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of the enactment of this subsection, for an independent state of the former Soviet Union under this chapter an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

''(2)(A) The President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

''(B) At the time of a certification made with respect to Russia pursuant to subparagraph (A), the President shall also submit to the appropriate congressional committees a report describing the intelligence activities of Russia in Cuba, including the purposes for which the Lourdes facility is used by the Russian Government and the extent to which the Russian Government provides payment or government credits to the Cuban Government for the continued use of the Lourdes facility.

''(C) The report required by subparagraph (B) may be submitted in classified form.

''(D) For purposes of this paragraph, the term 'appropriate congressional committees' includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

''(3) The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

''(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

''(B) democratic political reform and rule of law activities;

''(C) technical assistance for safety upgrades of civilian nuclear power plants;

''(D) the creation of private sector and nongovernmental organizations that are independent of government control;

''(E) the development of a free market economic system; and

''(F) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160).''.

SEC. 107. TELEVISION BROADCASTING TO CUBA.

(a) CONVERSION TO UHF.—The Director of the United States Information Agency shall implement a conversion of television broadcasting to Cuba under the Television Marti Service to ultra high frequency (UHF) broadcasting.

(b) PERIODIC REPORTS.—Not later than 45 days after the date of the enactment of this Act, and every three months thereafter until the conversion described in subsection (a) is fully implemented, the Director of the United States Information Agency shall submit a report to the appropriate congressional committees on the progress made in carrying out subsection (a).

(c) TERMINATION OF BROADCASTING AUTHORITIES.—Upon transmittal of a determination under section 203(c)(3), the Television Broadcasting to Cuba Act (22 U.S.C. 1465aa and following) and the Radio Broadcasting to Cuba Act (22 U.S.C. 1465 and following) are repealed.

SEC. 108. REPORTS ON ASSISTANCE AND COMMERCE RECEIVED BY CUBA FROM OTHER FOREIGN COUNTRIES.

(a) REPORTS REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every year thereafter, the President shall submit a report to the appropriate congressional committees on assistance and commerce received by Cuba from other foreign countries during the preceding 12-month period.

(b) CONTENTS OF REPORTS.—Each report required by subsection (a) shall, for the period covered by the report, contain the following, to the extent such information is known:

(1) A description of all bilateral assistance provided to Cuba by other foreign countries, including humanitarian assistance.

(2) A description of Cuba's commerce with foreign countries, including an identification of Cuba's trading partners and the extent of such trade.

(3) A description of the joint ventures completed, or under consideration, by foreign nationals involving facilities in Cuba, including an identification of the location of the facilities involved and a description of the terms of agreement of the joint ventures and the names of the parties that are involved.

(4) A determination whether or not any of the facilities described in paragraph (3) is the subject of a claim by a United States national.

(5) A determination of the amount of Cuban debt owed to each foreign country, including—

(A) the amount of debt exchanged, forgiven, or reduced under the terms of each investment or operation in Cuba involving foreign nationals; and

(B) the amount of debt owed to the foreign country that has been exchanged, reduced, or forgiven in return for a grant by the Cuban Government of an equity interest in a property, investment, or operation of the Cuban Government or of a Cuban national.

(6) A description of the steps taken to ensure that raw materials and semifinished or finished goods produced by facilities in Cuba involving foreign nationals do not enter the United States market, either directly or through third countries or parties.

(7) An identification of countries that purchase, or have purchased, arms or military supplies from the Cuban Government or that otherwise have entered into agreements with the Cuban Government that have a military application, including—

(A) a description of the military supplies, equipment, or other materiel sold, bartered, or exchanged between the Cuban Government and such countries;

(B) a listing of the goods, services, credits, or other consideration received by the Cuban Government in exchange for military supplies, equipment, or materiel; and

(C) the terms or conditions of any such agreement.

SEC. 109. AUTHORIZATION OF SUPPORT FOR DEMOCRATIC AND HUMAN RIGHTS GROUPS AND INTERNATIONAL OBSERVERS.

(a) AUTHORIZATION.—Notwithstanding any other provision of law, except for section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1) and comparable notification requirements contained in any Act making appropriations for foreign operations, export financing, and related programs, the President is authorized to furnish assistance and provide other support for individuals and independent nongovernmental organizations to support democracy-building efforts for Cuba, including the following:

(1) Published and informational matter, such as books, videos, and cassettes, on transitions to democracy, human rights, and market economies, to be made available to independent democratic groups in Cuba.

(2) Humanitarian assistance to victims of political repression, and their families.

(3) Support for democratic and human rights groups in Cuba.

(4) Support for visits and permanent deployment of independent international human rights monitors in Cuba.

(b) OAS EMERGENCY FUND.—(1) The President shall take the necessary steps to encourage the Organization of American States to create a special emergency fund for the explicit purpose of deploying human rights observers, election support, and election observation in Cuba.

(2) The President should instruct the United States Permanent Representative to the Organization of American States to encourage other member states of the Organization to join in calling for the Cuban Government to allow the immediate deployment of independent human rights monitors of the Organization throughout Cuba and on-site visits to Cuba by the Inter-American Commission on Human Rights.

(3) Notwithstanding section 307 of the Foreign Assistance Act of 1961 (22 U.S.C. 2227) or any other provision of law limiting the United States proportionate share of assistance to Cuba by any international organization, the President should provide not less than $5,000,000 of the voluntary contributions of the United States to the Organization of American States as of the date of the enactment of this Act solely for the purposes of the special fund referred to in paragraph (1).

SEC. 110. WITHHOLDING OF FOREIGN ASSISTANCE FROM COUNTRIES SUPPORTING NUCLEAR PLANT IN CUBA.

(a) FINDINGS.—The Congress makes the following findings:

(1) President Clinton stated in April 1993 that ''the United States opposes the construction of the Juragua nuclear power plant because of our concerns about Cuba's ability to ensure the safe operation of the facility and because of Cuba's refusal to sign the Nuclear Non-Proliferation Treaty or ratify the Treaty of Tlatelolco.''.

(2) Cuba has not signed the Treaty on the Non-Proliferation of Nuclear Weapons or ratified the Treaty of Tlatelolco, the latter of which establishes Latin America and the Caribbean as a nuclear weapons-free zone.

(3) The State Department, the Nuclear Regulatory Commission, and the Department of Energy have expressed concerns about the construction and operation of Cuba's nuclear reactors.

(4) In a September 1992 report to Congress, the General Accounting Office outlined concerns among nuclear energy experts about deficiencies in the nuclear plant project in Juragua, near Cienfuegos, Cuba, including—

(A) a lack in Cuba of a nuclear regulatory structure;

(B) the absence in Cuba of an adequate infrastructure to ensure the plant's safe operation and requisite maintenance;

(C) the inadequacy of training of plant operators;

(D) reports by a former technician from Cuba who, by examining with x-rays weld sites believed to be part of the auxiliary plumbing system for the plant, found that 10 to 15 percent of those sites were defective;

(E) since September 5, 1992, when construction on the plant was halted, the prolonged exposure to the elements, including corrosive salt water vapor, of the primary reactor components; and

(F) the possible inadequacy of the upper portion of the reactors' dome retention capability to withstand only 7 pounds of pressure per square inch, given that normal atmospheric pressure is 32 pounds per square inch and United States reactors are designed to accommodate pressures of 50 pounds per square inch.

(5) The United States Geological Survey claims that it had difficulty determining answers to specific questions regarding earthquake activity in the area near Cienfuegos because the Cuban Government was not forthcoming with information.

(6) The Geological Survey has indicated that the Caribbean plate, a geological formation near the south coast of Cuba, may pose seismic risks to Cuba and the site of the power plant, and may produce large to moderate earthquakes.

(7) On May 25, 1992, the Caribbean plate produced an earthquake numbering 7.0 on the Richter scale.

(8) According to a study by the National Oceanic and Atmospheric Administration, summer winds could carry radioactive pollutants from a nuclear accident at the power plant throughout all of Florida and parts of the States on the gulf coast as far as Texas, and northern winds could carry the pollutants as far northeast as Virginia and Washington, D.C.

(9) The Cuban Government, under dictator Fidel Castro, in 1962 advocated the Soviets' launching of nuclear missiles to the United States, which represented a direct and dangerous provocation of the United States and brought the world to the brink of a nuclear conflict.

(10) Fidel Castro over the years has consistently issued threats against the United States Government, most recently that he would unleash another perilous mass migration from Cuba upon the enactment of this Act.

(11) Despite the various concerns about the plant's safety and operational problems, a feasibility study is being conducted that would establish a support group to include Russia, Cuba, and third countries with the objective of completing and operating the plant.

(b) WITHHOLDING OF FOREIGN ASSISTANCE.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the President shall withhold from assistance allocated, on or

after the date of the enactment of this Act, for any country an amount equal to the sum of assistance and credits, if any, provided on or after such date of enactment by that country or any entity in that country in support of the completion of the Cuban nuclear facility at Juragua, near Cienfuegos, Cuba.

(2) EXCEPTIONS.—The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

(B) democratic political reform and rule of law activities;

(C) the creation of private sector and nongovernmental organizations that are independent of government control;

(D) the development of a free market economic system; and

(E) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160).

(3) DEFINITION.—As used in paragraph (1), the term ''assistance'' means assistance under the Foreign Assistance Act of 1961, credits, sales, and guarantees of extensions of credit under the Arms Export Control Act, assistance under titles I and III of the Agricultural Trade Development and Assistance Act of 1954, assistance under the FREEDOM Support Act of 1992, and any other program of assistance or credits provided by the United States to other countries under other provisions of law, except that the term ''assistance'' does not include humanitarian assistance, including disaster relief assistance.

SEC. 111. EXPULSION OF CRIMINALS FROM CUBA.

The President shall instruct all United States Government officials who engage in official conduct with the Cuban Government to raise on a regular basis the extradition of or rendering to the United States all persons residing in Cuba who are sought by the United States Department of Justice for crimes committed in the United States.

TITLE II—ASSISTANCE TO A FREE AND INDEPENDENT CUBA

SEC. 201. POLICY TOWARD A TRANSITION GOVERNMENT AND A DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.

The policy of the United States is as follows:

(1) To support the self-determination of the Cuban people.

(2) To recognize that the self-determination of the Cuban people is a sovereign and national right of the citizens of Cuba which must be exercised free of interference by the government of any other country.

(3) To encourage the Cuban people to empower themselves with a government which reflects the self-determination of the Cuban people.

(4) To recognize the potential for a difficult transition from the current regime in Cuba that may result from the initiatives taken by the Cuban people for self-determination in response to the intransigence of the Castro regime in not allowing any substantive political or economic reforms, and to be prepared to provide the Cuban people with humanitarian, developmental, and other economic assistance.

(5) In solidarity with the Cuban people, to provide appropriate forms of assistance—

(A) to a transition government in Cuba;

(B) to facilitate the rapid movement from such a transition government to a democratically elected government in Cuba that results from an expression of the self-determination of the Cuban people; and

(C) to support such a democratically elected government.

(6) Through such assistance, to facilitate a peaceful transition to representative democracy and a market economy in Cuba and to consolidate democracy in Cuba.

(7) To deliver such assistance to the Cuban people only through a transition government in Cuba, through a democratically elected government in Cuba, through United States Government organizations, or through United States, international, or indigenous nongovernmental organizations.

(8) To encourage other countries and multilateral organizations to provide similar assistance, and to work cooperatively with such countries and organizations to coordinate such assistance.

(9) To ensure that appropriate assistance is rapidly provided and distributed to the people of Cuba upon the institution of a transition government in Cuba.

(10) Not to provide favorable treatment or influence on behalf of any individual or entity in the selection by the Cuban people of their future government.

(11) To assist a transition government in Cuba and a democratically elected government in Cuba to prepare the Cuban military forces for an appropriate role in a democracy.

(12) To be prepared to enter into negotiations with a democratically elected government in Cuba either to return the United States Naval Base at Guantanamo to Cuba or to renegotiate the present agreement under mutually agreeable terms.

(13) To consider the restoration of diplomatic recognition and support the reintegration of the Cuban Government into Inter-American organizations when the President determines that there exists a democratically elected government in Cuba.

(14) To take steps to remove the economic embargo of Cuba when the President determines that a transition to a democratically elected government in Cuba has begun.

(15) To assist a democratically elected government in Cuba to strengthen and stabilize its national currency.

(16) To pursue the extension of free trade arrangements to a free, democratic, and independent Cuba or to seek the creation of an economic community with a free, democratic, and independent Cuba.

SEC. 202. AUTHORIZATION OF ASSISTANCE FOR THE CUBAN PEOPLE.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The President shall develop a plan for providing economic assistance to Cuba at such time as the President determines that a transition government or a democratically elected government in Cuba (as determined under section 203(c)) is in power.

(2) EFFECT ON OTHER LAWS.—Assistance may be provided under this section subject to an authorization of appropriations and subject to the availability of appropriations.

(b) PLAN FOR ASSISTANCE.—

(1) DEVELOPMENT OF PLAN.—The President shall develop a plan for providing assistance under this section—

(A) to Cuba when a transition government in Cuba is in power; and

(B) to Cuba when a democratically elected government in Cuba is in power.

(2) TYPES OF ASSISTANCE.—Assistance under the plan developed under paragraph (1) may, subject to an authorization of appropriations and subject to the availability of appropriations, include the following:

(A) TRANSITION GOVERNMENT.—(i) Except as provided in clause (ii), assistance to Cuba under a transition government shall, subject to an authorization of appropriations and subject to the availability of appropriations, be limited to—

(I) such food, medicine, medical supplies and equipment, and assistance to meet emergency energy needs, as is necessary to meet the basic human needs of the Cuban people; and

(II) assistance described in subparagraph (C).

(ii) Assistance provided only after the President certifies to the appropriate congressional committees under the procedures set forth under section 634A of the Foreign Assistance Act of 1961 that such assistance is essential to the successful completion of the transition to democracy.

(iii) Only after a transition government in Cuba is in power, remittances by individuals to their relatives of cash or goods, as well as freedom to travel to visit them without any restrictions, shall be permitted.

(B) DEMOCRATICALLY ELECTED GOVERNMENT.—Assistance to a democratically elected government in Cuba may, subject to an authorization of appropriations and subject to the availability of appropriations, consist of additional economic assistance, together with assistance described in subparagraph (C). Such economic assistance may include—

(i) assistance under chapter 1 of part I (relating to development assistance), and chapter 4 of part II (relating to the economic support fund), of the Foreign Assistance Act of 1961;

(ii) assistance under the Agricultural Trade Development and Assistance Act of 1954;

(iii) financing, guarantees, and other forms of assistance provided by the Export-Import Bank of the United States;

(iv) financial support provided by the Overseas Private Investment Corporation for investment projects in Cuba;

(v) assistance provided by the Trade and Development Agency;

(vi) Peace Corps programs; and

(vii) other appropriate assistance to carry out the policy of section 201.

(C) MILITARY ADJUSTMENT ASSISTANCE.—Assistance to a transition government in Cuba and to a democratically elected government in Cuba shall also include assistance in preparing the Cuban military forces to adjust to an appropriate role in a democracy.

(c) STRATEGY FOR DISTRIBUTION.—The plan developed under subsection (b) shall include a strategy for distributing assistance under the plan.

(d) DISTRIBUTION.—Assistance under the plan developed under subsection (b) shall be provided through United States Government organizations and nongovernmental organizations and private and voluntary organizations, whether within or outside the United States, including humanitarian, educational, labor, and private sector organizations.

(e) INTERNATIONAL EFFORTS.—The President shall take the necessary steps—

(1) to seek to obtain the agreement of other countries and of international financial institutions and multilateral organizations to provide to a transition government in Cuba, and to a democratically elected government in Cuba, assistance comparable to that provided by the United States under this Act; and

(2) to work with such countries, institutions, and organizations to coordinate all such assistance programs.

(f) COMMUNICATION WITH THE CUBAN PEOPLE.—The President shall take the necessary steps to communicate to the Cuban people the plan for assistance developed under this section.

(g) REPORT TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report describing in detail the plan developed under this section.

(h) TRADE AND INVESTMENT RELATIONS.—

(1) REPORT TO CONGRESS.—The President, following the transmittal to the Congress of a determination under section 203(c)(3) that a democratically elected government in

Cuba is in power, shall submit to the appropriate congressional committees a report that describes—

(A) acts, policies, and practices that constitute significant barriers to, or distortions of, United States trade in goods or services or foreign direct investment with respect to Cuba;

(B) policy objectives of the United States regarding trade relations with a democratically elected government in Cuba, and the reasons therefor, including possible—

(i) reciprocal extension of nondiscriminatory trade treatment (most-favored-nation treatment);

(ii) designation of Cuba as a beneficiary developing country under title V of the Trade Act of 1974 (relating to the Generalized System of Preferences) or as a beneficiary country under the Caribbean Basin Economic Recovery Act, and the implications of such designation with respect to trade with any other country that is such a beneficiary developing country or beneficiary country or is a party to the North American Free Trade Agreement; and

(iii) negotiations regarding free trade, including the accession of Cuba to the North American Free Trade Agreement;

(C) specific trade negotiating objectives of the United States with respect to Cuba, including the objectives described in section 108(b)(5) of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3317(b)(5)); and

(D) actions proposed or anticipated to be undertaken, and any proposed legislation necessary or appropriate, to achieve any of such policy and negotiating objectives.

(2) CONSULTATIONS.—The President shall consult with the appropriate congressional committees and shall seek advice from the appropriate advisory committees established under section 135 of the Trade Act of 1974 regarding the policy and negotiating objectives and the legislative proposals described in paragraph (1).

SEC. 203. COORDINATION OF ASSISTANCE PROGRAM; IMPLEMENTATION AND REPORTS TO CONGRESS; REPROGRAMMING.

(a) COORDINATING OFFICIAL.—The President shall designate a coordinating official who shall be responsible for—

(1) implementing the strategy for distributing assistance described in section 202(b);

(2) ensuring the speedy and efficient distribution of such assistance; and

(3) ensuring coordination among, and appropriate oversight by, the agencies of the United States that provide assistance described in section 202(b), including resolving any disputes among such agencies.

(b) UNITED STATES-CUBA COUNCIL.—Upon making a determination under subsection (c)(3) that a democratically elected government in Cuba is in power, the President, after consultation with the coordinating official, is authorized to designate a United States-Cuba council—

(1) to ensure coordination between the United States Government and the private sector in responding to change in Cuba, and in promoting market-based development in Cuba; and

(2) to establish periodic meetings between representatives of the United States and Cuban private sectors for the purpose of facilitating bilateral trade.

(c) IMPLEMENTATION OF PLAN; REPORTS TO CONGRESS.—

(1) IMPLEMENTATION WITH RESPECT TO TRANSITION GOVERNMENT.—Upon making a determination that a transition government in Cuba is in power, the President shall transmit that determination to the appropriate congressional committees and shall, subject to an authorization of appropriations and subject to the availability of appropriations, commence the delivery and distribution of assistance to such transition government under the plan developed under section 202(b).

(2) REPORTS TO CONGRESS.—(A) The President shall transmit to the appropriate congressional committees a report setting forth the strategy for providing assistance described in section 202(b)(2) (A) and (C) to the transition government in Cuba under the plan of assistance developed under section 202(b), the types of such assistance, and the extent to which such assistance has been distributed in accordance with the plan.

(B) The President shall transmit the report not later than 90 days after making the determination referred to in paragraph (1), except that the President shall transmit the report in preliminary form not later than 15 days after making that determination.

(3) IMPLEMENTATION WITH RESPECT TO DEMOCRATICALLY ELECTED GOVERNMENT.—The President shall, upon determining that a democratically elected government in Cuba is in power, submit that determination to the appropriate congressional committees and shall, subject to an authorization of appropriations and subject to the availability of appropriations, commence the delivery and distribution of assistance to such democratically elected government under the plan developed under section 202(b).

(4) ANNUAL REPORTS TO CONGRESS.—Not later than 60 days after the end of each fiscal year, the President shall transmit to the appropriate congressional committees a report on the assistance provided under the plan developed under section 202(b), including a description of each type of assistance, the amounts expended for such assistance, and a description of the assistance to be provided under the plan in the current fiscal year.

(d) REPROGRAMMING.—Any changes in the assistance to be provided under the plan developed under section 202(b) may not be made unless the President notifies the appropriate congressional committees at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

SEC. 204. TERMINATION OF THE ECONOMIC EMBARGO OF CUBA.

(a) PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(c)(1) that a transition government in Cuba is in power, the President, after consulting with the Congress, is authorized to take steps to suspend the economic embargo of Cuba to the extent that such action contributes to a stable foundation for a democratically elected government in Cuba.

(b) SUSPENSION OF CERTAIN PROVISIONS OF LAW.—In carrying out subsection (a), the President may suspend the enforcement of—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a));

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) with regard to the ''Republic of Cuba'';

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005);

(4) section 902(c) of the Food Security Act of 1985; and

(5) the prohibitions on transactions described in part 515 of title 31, Code of Federal Regulations.

(c) ADDITIONAL PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(c)(3) that a democratically elected government in Cuba is in power, the President shall take steps to terminate the economic embargo of Cuba.

(d) CONFORMING AMENDMENTS.—On the date on which the President submits a determination under section 203(c)(3)—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is repealed;

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) is amended by striking ''Republic of Cuba'';

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act of 1992 (22 U.S.C. 6003, 6004(d), and 6005) are repealed; and

(4) section 902(c) of the Food Security Act of 1985 is repealed.

(e) REVIEW OF SUSPENSION OF ECONOMIC EMBARGO.—

(1) REVIEW.—If the President takes action under subsection (a) to suspend the economic embargo of Cuba, the President shall immediately so notify the Congress. The President shall report to the Congress no less frequently than every 6 months thereafter, until he submits a determination under section 203(c)(3) that a democratically elected government in Cuba is in power, on the progress being made by Cuba toward the establishment of such a democratically elected government. The action of the President under subsection (a) shall cease to be effective upon the enactment of a joint resolution described in paragraph (2).

(2) JOINT RESOLUTIONS.—For purposes of this subsection, the term ''joint resolution'' means only a joint resolution of the 2 Houses of Congress, the matter after the resolving clause of which is as follows: ''That the Congress disapproves the action of the President under section 204(a) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Congress on ____.'', with the blank space being filled with the appropriate date.

(3) REFERRAL TO COMMITTEES.—Joint resolutions introduced in the House of Representatives shall be referred to the Committee on International Relations and joint resolutions introduced in the Senate shall be referred to the Committee on Foreign Relations.

(4) PROCEDURES.—(A) Any joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(B) For the purpose of expediting the consideration and enactment of joint resolutions, a motion to proceed to the consideration of any joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(C) Not more than 1 joint resolution may be considered in the House of Representatives and the Senate in the 6-month period beginning on the date on which the President notifies the Congress under paragraph (1) of the action taken under subsection (a), and in each 6-month period thereafter.

SEC. 205. REQUIREMENTS FOR A TRANSITION GOVERNMENT.

For purposes of this Act, a transition government in Cuba is a government in Cuba which—

(1) is demonstrably in transition from communist totalitarian dictatorship to representative democracy;

(2) has recognized the right to independent political activity and association;

(3) has released all political prisoners and allowed for investigations of Cuban prisons by appropriate international human rights organizations;

(4) has ceased any interference with Radio or Television Marti broadcasts;

(5) makes public commitments to and is making demonstrable progress in—

(A) establishing an independent judiciary;

(B) dissolving the present Department of State Security in the Cuban Ministry of the Interior, including the Committees for the Defense of the Revolution and the Rapid Response Brigades;

(C) respecting internationally recognized human rights and basic freedoms as set forth in the Universal Declaration of Human Rights, to which Cuba is a signatory nation;

(D) effectively guaranteeing the rights of free speech and freedom of the press;

(E) organizing free and fair elections for a new government—

(i) to be held in a timely manner within a period not to exceed 1 year after the transition government assumes power;

(ii) with the participation of multiple independent political parties that have full access to the media on an equal basis, including (in the case of radio, television, or other telecommunications media) in terms of allotments of time for such access and the times of day such allotments are given; and

(iii) to be conducted under the supervision of internationally recognized observers, such as the Organization of American States, the United Nations, and other elections monitors;

(F) assuring the right to private property;

(G) taking appropriate steps to return to United States citizens (and entities which are 50 percent or more beneficially owned by United States citizens) property taken by the Cuban Government from such citizens and entities on or after January 1, 1959, or to provide equitable compensation to such citizens and entities for such property;

(H) granting permits to privately owned telecommunications and media companies to operate in Cuba; and

(I) allowing the establishment of independent trade unions as set forth in conventions 87 and 98 of the International Labor Organization, and allowing the establishment of independent social, economic, and political associations;

(6) does not include Fidel Castro or Raul Castro;

(7) has given adequate assurances that it will allow the speedy and efficient distribution of assistance to the Cuban people;

(8) permits the deployment throughout Cuba of independent and unfettered international human rights monitors; and

(9) has extradited or otherwise rendered to the United States all persons sought by the United States Department of Justice for crimes committed in the United States.

SEC. 206. REQUIREMENTS FOR A DEMOCRATICALLY ELECTED GOVERNMENT.

For purposes of this Act, a democratically elected government in Cuba, in addition to continuing to comply with the requirements of section 205, is a government in Cuba which—

(1) results from free and fair elections conducted under the supervision of internationally recognized observers;

(2) has permitted opposition parties ample time to organize and campaign for such elections, and has permitted full access to the media to all candidates in the elections;

(3) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(4) has made demonstrable progress in establishing an independent judiciary;

(5) is substantially moving toward a market-oriented economic system;

(6) is committed to making constitutional changes that would ensure regular free and fair elections that meet the requirements of paragraph (2); and

(7) has made demonstrable progress in returning to United States citizens (and entities which are 50 percent or more beneficially owned by United States citizens) property taken by the Cuban Government from such citizens and entities on or after January 1, 1959, or providing full compensation for such property in accordance with international law standards and practice.

TITLE III—PROTECTION OF PROPERTY RIGHTS OF UNITED STATES NATIONALS AGAINST CONFISCATORY TAKINGS BY THE CASTRO REGIME

SEC. 301. STATEMENT OF POLICY.

The Congress makes the following findings:

(1) The right of individuals to hold and enjoy property is a fundamental right recognized by the United States Constitution and international human rights law, including the Universal Declaration of Human Rights.

(2) The illegal confiscation or taking of property by governments, and the acquiescence of governments in the confiscation of property by their citizens, undermines the comity among nations, the free flow of commerce, and economic development.

(3) It is in the interest of all nations to respect equally the property rights of their citizens and nationals of other countries.

(4) Nations that provide an effective mechanism for prompt, adequate, and fair compensation for the confiscation of private property will continue to have the support of the United States.

(5) The United States Government has an obligation to its citizens to provide protection against illegal confiscation by foreign nations and their citizens, including the provision of private remedies.

(6) Nations that illegally confiscate private property should not be immune to another nation's laws whose purpose is to protect against the confiscation of lawfully acquired property by its citizens.

(7) Trafficking in illegally acquired property is a crime under the laws of the United States and other nations, yet this same activity is allowed under international law.

(8) International law, by not providing effective remedies, condones the illegal confiscation of property and allows for the unjust enrichment from the use of confiscated property by governments and private entities at the expense of those who hold legal claim to the property.

(9) The development of an international mechanism sanctioning those governments and private entities that confiscate and unjustly use private property so confiscated should be a priority objective of United States foreign policy.

SEC. 302. LIABILITY FOR TRAFFICKING IN PROPERTY CONFISCATED FROM UNITED STATES NATIONALS.

(a) CIVIL REMEDY.—

(1) LIABILITY FOR TRAFFICKING.—(A) Except as provided in paragraphs (3) and (4), any person, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, that, after the end of the 6-month period beginning on the date of the enactment of this Act, traffics in confiscated property shall be liable to any United States national who owns the claim to such property for money damages in an amount equal to the sum of—

(i) the amount which is the greater of—

(I) the amount, if any, certified to the claimant by the Foreign Claims Settlement Commission under the International Claims Settlement Act of 1949, plus interest;

(II) the amount determined under section 303(a)(2), plus interest; or

(III) the fair market value of that property, calculated as being the then current value of the property, or the value of the property when confiscated plus interest, whichever is greater; and

(ii) reasonable costs and attorneys' fees.

(B) Interest under subparagraph (A)(i) shall be at the rate set forth in section 1961 of title 28, United States Code, computed by the court from the date of the confiscation of the property involved to the date on which the action is brought under this subsection.

(2) PRESUMPTION IN FAVOR OF CERTIFIED CLAIMS.—There shall be a presumption that the amount for which a person, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, is liable under clause (i) of paragraph (1)(A) is the amount that is certified under subclause (I) of that clause. The presumption shall be rebuttable by clear and convincing evidence that the amount described in subclause (II) or (III) of that clause is the appropriate amount of liability under that clause.

(3) INCREASED LIABILITY FOR PRIOR NOTICE.—Except as provided in paragraph (4), any person, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, that traffics in confiscated property after having received—

(A) notice of a claim to ownership of the property by a United States national who owns a claim to the confiscated property, and

(B) notice of the provisions of this section, shall be liable to that United States national for money damages in an amount which is the sum of the amount equal to the amount determined under paragraph (1)(A)(ii) plus triple the amount determined applicable under subclause (I), (II), or (III) of paragraph (1)(A)(i).

(4) APPLICABILITY.—(A) Except as otherwise provided in this paragraph, actions may be brought under paragraph (1) with respect to property confiscated before, on, or after the date of the enactment of this Act.

(B) In the case of property confiscated before the date of the enactment of this Act, no United States national may bring an action under this section unless such national acquired ownership of the claim to the confiscated property before such date.

(C) In the case of property confiscated on or after the date of the enactment of this Act, no United States national who acquired ownership of a claim to confiscated property by assignment for value after such date of enactment may bring an action on the claim under this section.

(5) TREATMENT OF CERTAIN ACTIONS.—(A) In the case of any action brought under this section by a United States national who was eligible to file the underlying claim in the action with the Foreign Claims Settlement Commission under title V of the International Claims Settlement Act of 1949 but did not so file the claim, the court may hear the case only if the court determines that the United States national had good cause for not filing the claim.

(B) In the case of any action brought under this section by a United States national whose claim in the action was timely filed with the Foreign Claims Settlement Commission under title V of the International Claims Settlement Act of 1949 but was denied by the Commission, the court may assess the basis for the denial and may accept the findings of the Commission on the claim as conclusive in the action under this section unless good cause justifies another result.

(6) INAPPLICABILITY OF ACT OF STATE DOCTRINE.—No court of the United States shall decline, based upon the act of state doctrine, to make a determination on the merits in an action brought under paragraph (1).

(b) DEFINITION.—As used in this subsection, the term ''agency or instrumentality of a foreign state'' has the meaning given that term in section 1603(b) of title 28, United States Code.

(c) JURISDICTION.—

(1) IN GENERAL.—Chapter 85 of title 28, United States Code, is amended by inserting after section 1331 the following new section:

"§ 1331a. Civil actions involving confiscated property

''The district courts shall have exclusive jurisdiction of any action brought under section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995, regardless of the amount in controversy.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 85 of title 28, United States Code, is amended by inserting after the item relating to section 1331 the following:

''1331a. Civil actions involving confiscated property.''.

(d) CERTAIN PROPERTY IMMUNE FROM EXECUTION.—Section 1611 of title 28, United States Code, is amended by adding at the end the following:

''(c) Notwithstanding the provisions of section 1610 of this chapter, the property of a foreign state shall be immune from attachment and from execution in an action brought under section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 to the extent the property is a facility or installation used by an accredited diplomatic mission for official purposes.''.

(e) ELECTION OF REMEDIES.—

(1) ELECTION.—Subject to paragraph (2)—

(A) any United States national that brings an action under this section may not bring any other civil action or proceeding under the common law, Federal law, or the law of any of the several States, the District of Columbia, or any territory or possession of the United States, that seeks monetary or nonmonetary compensation by reason of the same subject matter; and

(B) any person who brings, under the common law or any provision of law other than this section, a civil action or proceeding for monetary or nonmonetary compensation arising out of a claim for which an action would otherwise be cognizable under this section may not bring an action under this section on that claim.

(2) TREATMENT OF CERTIFIED CLAIMANTS.—In the case of any United States national that brings an action under this section based on a claim certified under title V of the International Claims Settlement Act of 1949—

(A) if the recovery in the action is equal to or greater than the amount of the certified claim, the United States national may not receive payment on the claim under any agreement entered into between the United States and Cuba settling claims covered by such title, and such national shall be deemed to have discharged the United States from any further responsibility to represent the United States national with respect to that claim;

(B) if the recovery in the action is less than the amount of the certified claim, the United States national may receive payment under a claims agreement described in subparagraph (A) but only to the extent of the difference between the amount of the recovery and the amount of the certified claim; and

(C) if there is no recovery in the action, the United States national may receive payment on the certified claim under a claims agreement described in subparagraph (A) to the same extent as any certified claimant who does not bring an action under this section.

(f) DEPOSIT OF EXCESS PAYMENTS BY CUBA UNDER CLAIMS AGREEMENT.—Any amounts paid by Cuba under any agreement entered into between the United States and Cuba settling certified claims under title V of the International Claims Settlement Act of 1949 that are in excess of the payments made on such certified claims after the application of subsection (e) shall be deposited into the United States Treasury.

(g) TERMINATION OF RIGHTS.—

(1) IN GENERAL.—All rights created under this section to bring an action for money damages with respect to property confiscated before the date of the enactment of this Act shall cease upon the transmittal to the Congress of a determination of the President under section 203(c)(3).

(2) PENDING SUITS.—The termination of rights under paragraph (1) shall not affect suits commenced before the date of such termination, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

SEC. 303. DETERMINATION OF CLAIMS TO CONFISCATED PROPERTY.

(a) EVIDENCE OF OWNERSHIP.—

(1) CONCLUSIVENESS OF CERTIFIED CLAIMS.—In any action brought under this title, the courts shall accept as conclusive proof of ownership a certification of a claim to ownership that has been made by the Foreign Claims Settlement Commission pursuant to title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following).

(2) CLAIMS NOT CERTIFIED.—In the case of a claim that has not been certified by the Foreign Claims Settlement Commission before the enactment of this Act, a court may appoint a special master, including the Foreign Claims Settlement Commission, to make determinations regarding the amount and validity of claims to ownership of confiscated property. Such determinations are only for evidentiary purposes in civil actions brought under this title and do not constitute certifications pursuant to title V of the International Claims Settlement Act of 1949.

(3) EFFECT OF DETERMINATIONS OF FOREIGN ENTITIES.—In determining ownership, courts shall not accept as conclusive evidence of ownership any findings, orders, judgments, or decrees from administrative agencies or courts of foreign countries or international organizations that invalidate the claim held by a United States national, unless the invalidation was found pursuant to binding international arbitration to which United States national submitted the claim.

(b) AMENDMENT OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949.—Title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following) is amended by adding at the end the following new section:

''EVALUATION OF OWNERSHIP CLAIMS REFERRED BY DISTRICT COURTS OF THE UNITED STATES

''SEC. 514. Notwithstanding any other provision of this title and only for purposes of section 302 of the Cuban Liberty and Solidarity (LIBERTAD) Act, a United States district court, for fact-finding purposes, may refer to the Commission, and the Commission may determine, questions of the amount and ownership of a claim by a United States national (as defined in section 4 of the Cuban Liberty and Solidarity (LIBERTAD) Act) resulting from the confiscation of property by the Government of Cuba described in section 503(a), whether or not the United States national qualified as a national of the United States (as defined in section 502(1)) at the time of the action by the Government of Cuba.''.

(c) RULE OF CONSTRUCTION.—Nothing in this Act or section 514 of the International Claims Settlement Act of 1949, as added by subsection (b), shall be construed—

(1) to require or otherwise authorize the claims of Cuban nationals who became United States citizens after their property was confiscated to be included in the claims certified to the Secretary of State by the Foreign Claims Settlement Commission for purposes of future negotiation and espousal of claims with a friendly government in Cuba when diplomatic relations are restored; or

(2) as superseding, amending, or otherwise altering certifications that have been made pursuant to title V of the International Claims Settlement Act of 1949 before the enactment of this Act.

SEC. 304. EXCLUSIVITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION CERTIFICATION PROCEDURE.

Title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following), as amended by section 303, is further amended by adding at the end the following new section:

''EXCLUSIVITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION CERTIFICATION PROCEDURE

''SEC. 515. (a) Subject to subsection (b), neither any national of the United States who was eligible to file a claim under section 503 but did not timely file such claim under that section, nor any national of the United States (on the date of the enactment of this section) who was not eligible to file a claim under that section, nor any national of Cuba, including any agency, instrumentality, subdivision, or enterprise of the Government of Cuba or any local government of Cuba in place on the date of the enactment of this section, nor any successor thereto, whether or not recognized by the United States, shall have a claim to, participate in, or otherwise have an interest in, the compensation proceeds or other nonmonetary compensation paid or allocated to a national of the United States by virtue of a claim certified by the Commission under section 507, nor shall any court of the United States or any State court have jurisdiction to adjudicate any such claim.

''(b) Nothing in subsection (a) shall be construed to detract from or otherwise affect any rights in the shares of the capital stock of nationals of the United States owning claims certified by the Commission under section 507.''.

TITLE IV—EXCLUSION OF CERTAIN ALIENS

SEC. 401. EXCLUSION FROM THE UNITED STATES OF ALIENS WHO HAVE CONFISCATED PROPERTY OF UNITED STATES NATIONALS OR WHO TRAFFIC IN SUCH PROPERTY.

(a) GROUNDS FOR EXCLUSION.—The Secretary of State, in consultation with the Attorney General, shall exclude from the United States any alien who the Secretary of State determines is a person who—

(1) has confiscated, or has directed or overseen the confiscation of, property a claim to which is owned by a United States national, or converts or has converted for personal gain confiscated property, a claim to which is owned by a United States national;

(2) traffics in confiscated property, a claim to which is owned by a United States national;

(3) is a corporate officer, principal, or shareholder with a controlling interest of an entity which has been involved in the confiscation of property or trafficking in confiscated property, a claim to which is owned by a United States national; or

(4) is a spouse, minor child, or agent of a person excludable under paragraph (1), (2), or (3).

(b) DEFINITIONS.—As used in this section, the following terms have the following meanings:

(1) CONFISCATED; CONFISCATION.—The terms ''confiscated'' and ''confiscation'' refer to—

(A) the nationalization, expropriation, or other seizure by foreign governmental authority of ownership or control of property on or after January 1, 1959—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by foreign governmental authority of, the default by foreign governmental authority on, or the failure by foreign governmental authority to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by foreign governmental authority;

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by foreign governmental authority; or

(iii) a debt which was incurred by foreign governmental authority in satisfaction or settlement of a confiscated property claim.

(2) PROPERTY.—The term ''property'' does not include claims arising from a territory in dispute as a result of war between United Nations member states in which the ultimate resolution of the disputed territory has not been resolved.

(3) TRAFFICS.—(A) A person or entity ''traffics'' in property if that person or entity knowingly and intentionally—

(i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, receives, possesses, obtains control of, manages, uses, or otherwise acquires or holds an interest in confiscated property,

(ii) engages in a commercial activity using or otherwise benefiting from confiscated property, or

(iii) causes, directs, participates in, or profits from, trafficking (as described in clauses (i) and (ii)) by another person, or otherwise engages in trafficking (as described in clauses (i) and (ii)) through another person,

without the authorization of the United States national who holds a claim to the property.

(B) The term ''traffics'' does not include–

(i) the delivery of international telecommunication signals to Cuba that are authorized by section 1705(e) of the Cuban Democracy Act of 1992 (22 U.S.C. 6004(e)); or

(ii) the trading or holding of securities publicly traded or held, unless the trading is with or by a person determined by the Secretary of the Treasury to be a specially designated national.

(c) NATIONAL INTEREST EXEMPTION.—This section shall not apply where the Secretary of State finds, on a case-by-case basis, that making a determination under subsection (a) would be contrary to the national interest of the United States.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—This section applies to aliens seeking to enter the United States on or after the date of the enactment of this Act.

(2) TRAFFICKING.—This section applies only with respect to acts within the meaning of ''traffics'' that occur on or after the date of the enactment of this Act.

H.R. 1617

OFFERED BY: MR. MCKEON

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the—

(1) ''Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act''; or

(2) ''CAREERS Act''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Purpose.
Sec. 4. Authorization of appropriations.
Sec. 5. Definitions.
Sec. 6. Transition.

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

Sec. 101. Purpose of title.

Subtitle A—State and Local Responsibilities

Sec. 102. State requirements.
Sec. 103. Collaborative process regarding State system.
Sec. 104. Consolidated State workforce development and literacy plan.
Sec. 105. Establishment of workforce development areas.
Sec. 106. Provisions regarding local workforce development boards.
Sec. 107. Establishment of integrated career center systems.
Sec. 108. Identification of eligible education, training, and vocational rehabilitation service providers.
Sec. 109. Management information systems.
Sec. 110. Performance accountability system.
Sec. 111. Limitation on Federal regulation.
Sec. 112. General provision.
Sec. 113. Liability.

Subtitle B—Amendments to Wagner-Peyser Act

Sec. 131. General program requirements.
Sec. 132. Labor market information.

Subtitle C—Worker Rights

Sec. 141. Requirements.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

Sec. 201. Purposes.
Sec. 202. Definitions.

Subtitle A—State Funding

Sec. 211. National and State funding.
Sec. 212. Within State allocation.

Subtitle B—State Organizational, Planning, and Reporting Responsibilities

Sec. 221. State plan.
Sec. 222. State programs and State activities.
Sec. 223. Incentive awards.
Sec. 224. Core standards, performance goals, and measures.

Subtitle C—Subgrants for In-School and At-Risk Youth

Sec. 231. Partnership agreements.
Sec. 232. Distribution of funds.

CHAPTER 1—IN-SCHOOL YOUTH

Sec. 241. Uses of funds for in-school youth.

CHAPTER 2—AT-RISK YOUTH

Sec. 245. Uses of funds for at-risk youth.
Sec. 246. At-risk youth providers.

Subtitle D—National Programs

Sec. 251. Research activities.
Sec. 252. Assessment and data collection of youth development and career preparation programs.
Sec. 253. National center or centers for research.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

Sec. 301. Purpose.

Subtitle A—Adult Employment and Training Consolidation Grant

Sec. 311. Authorization.
Sec. 312. Allotment among States.
Sec. 313. Allocation within States.
Sec. 314. Additional State plan requirements.
Sec. 315. Use of amounts.
Sec. 316. Core standards, performance goals, and measures.

Subtitle B—Federal Programs

Sec. 321. National discretionary grants.
Sec. 322. Disaster relief employment assistance.
Sec. 323. Research, demonstration, evaluation, and capacity building.
Sec. 324. Workforce skills and development loans.
Sec. 325. Employment, training, and education assistance for Native Americans.
Sec. 326. Employment, training, and education assistance for migrant and seasonal farmworkers.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY CONSOLIDATION GRANT

Sec. 401. Findings.
Sec. 402. Definitions.

Subtitle A—Adult Education and Family Literacy Consolidation Grant

Sec. 411. Purposes.

CHAPTER 1—FUNDING

Sec. 421. Reservations from amounts appropriated.
Sec. 422. Allotment.

CHAPTER 2—GRANTS TO STATES

Sec. 431. Requirement to make grants.
Sec. 432. Uses of funds.
Sec. 433. Additional grant requirements.
Sec. 434. Performance measures.

CHAPTER 3—NATIONAL PROGRAMS

Sec. 441. National Institute for Literacy.
Sec. 442. National leadership activities.

Subtitle B—Library Services and Technology Consolidation Grant

Sec. 451. Purposes.
Sec. 452. Authorization of appropriations.
Sec. 453. Allotments.
Sec. 454. Grants to States.
Sec. 455. Uses of funds.
Sec. 456. Annual applications.

TITLE V—AMENDMENTS TO REHABILITATION ACT OF 1973

Subtitle A—Vocational Rehabilitation Consolidation Grant

CHAPTER 1—TRANSITION PERIOD

Sec. 501. Transition.

CHAPTER 2—REVISION OF TITLE I OF REHABILITATION ACT OF 1973

Sec. 511. Revision of title I.

Subtitle B—Other Amendments to Rehabilitation Act of 1973

Sec. 521. Training and demonstration projects.
Sec. 522. Employment opportunities for individuals with disabilities.
Sec. 523. Certain amounts.

TITLE VI—HIGHER EDUCATION PRIVATIZATION

Sec. 601. Reorganization of the Student Loan Marketing Association through the formation of a holding company.
Sec. 602. Privatization of College Construction Loan Insurance Association.

TITLE VII—REPEALERS AND OTHER AMENDMENTS

Sec. 701. Higher education provisions.
Sec. 702. Amendment to Higher Education Act.
Sec. 703. Carl D. Perkins Vocational and Applied Technology Education Act.
Sec. 704. Smith-Hughes Act.
Sec. 705. School-to-Work Opportunities Act of 1994.
Sec. 706. School Dropout Assistance Act.
Sec. 707. Adult Education Act.

Sec. 708. National Literacy Act.
Sec. 709. Library Services and Construction Act.
Sec. 710. Technology for Education Act of 1994.
Sec. 711. Job Training Partnership Act.
Sec. 712. Stewart B. Mckinney Homeless Assistance Act.
Sec. 713. Effective date.

SEC. 3. PURPOSE.

The purpose of this Act is to transform the vast array of Federal workforce development and literacy programs from a collection of fragmented and duplicative categorical programs into a streamlined, comprehensive, coherent, high-quality, cost-effective, market-based, and accountable workforce development and literacy system that is designed to meet the education, economic, employment, and training needs of the workforce and the competitiveness needs of employers of the United States, both today and in the future.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated—

(1) for title II, $2,324,600,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title;

(2) for title III, $2,183,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title; and

(3) for subtitle A of title IV, $280,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such subtitle.

(b) PROGRAM YEAR.—

(1) IN GENERAL.—Beginning in fiscal year 1997, and each year thereafter, appropriations for any fiscal year for programs and activities under titles II, III, and IV of this Act shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) OBLIGATION.—Funds obligated for any program year under titles II, III, and IV, may be expended by each recipient during that program year and the two succeeding program years, except that the Secretary shall, in accordance with paragraph (3), reallot to eligible States the funds allotted to States from funds appropriated for reallotments.

(3) AMOUNTS AVAILABLE FOR REALLOTMENT.—The amount available for reallotment is equal to—

(A) the amount by which the unobligated balance of the State allotment at the end of the program year prior to the program year for which the determination under this section is made exceeds 20 percent of such allotment for the prior program year; plus

(B) the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.

SEC. 5. DEFINITIONS.

For purposes of this Act, except as otherwise provided:

(1) ADULT.—The term ''adult'' means an individual who is 16 years of age, or beyond the age of compulsory school attendance under State law (whichever age is higher), and who is not enrolled or required to be enrolled in secondary school.

(2) ADULT EDUCATION.—The term ''adult education'' means services or instruction below the postsecondary level for adults—

(A) who are not enrolled in secondary school;

(B) who lack sufficient mastery of basic educational skills to enable them to function effectively in society or who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education;

(C) who are not currently required to be enrolled in school; and

(D) whose lack of mastery of basic skills results in an inability to speak, read, or write the English language which constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, and thus are in need of programs to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others.

(3) AREA VOCATIONAL EDUCATION SCHOOL.—The term ''area vocational education school'' means—

(A) a specialized high school used exclusively or principally for the provision of vocational education to individuals who are available for study in preparation for entering the labor market;

(B) the department of a high school exclusively or principally used for providing vocational education in not less than 5 different occupational fields to individuals who are available for study in preparation for entering the labor market;

(C) a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left high school and who are available for study in preparation for entering the labor market; or

(D) the department or division of a junior college, community college or university operating under the policies of the State board and which provides vocational education in not less than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if, in the case of a school, department, or division described in subparagraph (C) or this subparagraph, it admits as regular students both individuals who have completed high school and individuals who have left high school.

(4) AT-RISK YOUTH.—The term ''at-risk youth'' means—

(A) an out-of-school, at-risk youth who is an individual age 24 or younger and who is not enrolled in a secondary or postsecondary education program, has not received a high school diploma or its equivalent and must overcome barriers to employment such as lack of sufficient education or vocational skills, economic disadvantages, disability, or limited English proficiency; or

(B) an in-school, at-risk youth who is an individual age 24 or younger who is enrolled in an accredited secondary or postsecondary education program but is at risk of dropping out of school or must overcome barriers to complete an education program, such as economic disadvantages, disability, or limited English proficiency.

(5) COMPREHENSIVE CAREER GUIDANCE AND COUNSELING.—The term ''comprehensive career guidance and counseling'' means a program—

(A) which pertains to the body of subject matter and related techniques and methods organized for the development in individuals of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities;

(B) which assists such individuals in making and implementing informed educational and occupational choices; and

(C) which is comprehensive in nature.

(6) CAREER GRANT.—The term ''career grant'' means a voucher or a credit issued to a participant under title III of this Act, or title I of the Rehabilitation Act of 1973, for the purchase of education or training services from certified providers of such services, in accordance with the provisions of this Act, and with guidelines issued by the State.

(7) CASE MANAGEMENT.—The term ''case management'' means the provision of a client-centered approach in the delivery of services designed to—

(A) empower individuals to make informed career choices;

(B) prepare and coordinate comprehensive employment plans, based upon such individual choices, such as service strategies for participants, to ensure access to necessary training and supportive services, using, where feasible, computer-based technologies; and

(C) provide job and career counseling during program participation and after job placement.

(8) CHIEF ELECTED OFFICIAL.—The term ''chief elected official'' means the chief elected executive officer of a unit of general local government in a workforce development area.

(9) COMMUNITY-BASED ORGANIZATION.—The term ''community-based organization'' means a private nonprofit organization that is representative of a community or significant segments of a community that provides or facilitates education, vocational rehabilitation, job training, supportive services, or internship services and programs.

(10) DEMOGRAPHIC CHARACTERISTICS.—The term ''demographic characteristics'' means information on population, especially with reference to size, density, distribution, and vital statistics including, age, race, sex, ethnic origin, and income status.

(11) DISLOCATED WORKER.—The term ''dislocated worker'' means an individual who—

(A) has been terminated or laid off or who has received a notice of termination or layoff from employment, is eligible for or has exhausted entitlement to unemployment compensation, and is unlikely to return to a previous industry or occupation;

(B) has been terminated, or has received a notice of termination of employment, as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;

(C) has been unemployed long-term and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individual resides, including an older individual who may have substantial barriers to employment by reason of age; or

(D) was self-employed (including farmers and ranchers) but is unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters.

(12) DISPLACED HOMEMAKER.—The term ''displaced homemaker'' means an individual who—

(A) is an adult; and

(B)(i) has worked as an adult primarily without remuneration to care for the home and family, and for that reason has diminished marketable skills;

(ii) has been dependent on public assistance or on the income of a relative but is no longer supported by such income; or

(iii) is a parent whose youngest dependent child will become ineligible to receive assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act within 2 years of the parent's application for assistance under title II of this Act.

(13) EARNINGS.—The term ''earnings'' means gross hourly wages before any deduction, plus the estimated hourly value of bonuses, tips, gratuities, commissions, and overtime pay either expected or received. In

the case of individuals in subsidized employment, total hourly earnings include any wage subsidy paid to the individual.

(14) ECONOMIC DEVELOPMENT AGENCIES.—The term ''economic development agencies'' means State and local planning and zoning commissions or boards, community development agencies, and other State and local agencies and institutions responsible for regulating, promoting, or assisting in State and local economic development.

(15) ECONOMICALLY DISADVANTAGED.—The term ''economically disadvantaged'' means an individual who—

(A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program;

(B) has, or is a member of a family which has, received a total family income for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of—

(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), or

(ii) 70 percent of the lower living standard income level;

(C) is receiving (or has been determined within the 6-month period prior to the application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977;

(D) qualifies as a homeless individual under subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act;

(E) is a foster child on behalf of whom State or local government payments are made;

(F) in cases permitted by regulations of the Secretary, is an individual with a disability whose own income meets the requirements of subparagraph (A) or (B), but who is a member of a family whose income does not meet such requirements; or

(G) is an individual meeting appropriate criteria approved by a State.

(16) EDUCATIONAL SERVICE AGENCY.—The term ''educational service agency'' means a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies, and is recognized as an administrative agency for such State's vocational or technical education schools or for vocational programs within its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction over a public elementary or secondary school.

(17) EMPLOYED.—The term ''employed'' means an individual who is currently—

(A) a paid employee;

(B) works in his or her own business, profession, or farm;

(C) works 15 hours or more per week as an unpaid worker in an enterprise operated by a family member or is one who is not working, but has a job or business from which he or she is temporarily absent due to illness, bad weather, vacation, labor-management dispute, or personal reasons; or

(D) on active military duty.

(18) ENGLISH LITERACY PROGRAM.—The term ''English literacy program'' means a program of instruction designed to help limited English proficient adults, out-of-school youths, or both, achieve full competence in the English language.

(19) EXCESS NUMBER.—The term ''excess number'' means, with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State.

(20) FAMILY AND CONSUMER SCIENCES.—The term ''family and consumer sciences'' means instructional programs, services, and activities which prepare students for personal, family, community, and career roles.

(21) GOVERNOR.—The term ''Governor'' means the chief executive of a State.

(22) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term ''individual of limited English proficiency'' means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and—

(A) whose native language is a language other than English; or

(B) who lives in a family or community environment where a language other than English is the dominant language.

(23) INDIVIDUALS WITH DISABILITIES.—The term ''individuals with disabilities'' has the meaning given such term in the Rehabilitation Act of 1973.

(24) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given such term in section 481 of the Higher Education Act of 1965.

(25) JOB SEARCH ASSISTANCE.—The term ''job search assistance'' means a service that helps a job-ready individual seek, locate, apply for, and obtain employment. Such services may include, job-finding skills, orientation to the labor market, resume preparation assistance, job finding clubs, job search workshops, vocational exploration, and other employability services.

(26) LABOR MARKET AREA.—The term ''labor market area'' means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such areas shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.

(27) LIBRARY.—The term ''library'' includes—

(A) a public library;

(B) a public elementary or secondary school library;

(C) an academic library;

(D) a research library; and

(E) a private library, but only if the State in which such private library is located determines that the library should be considered a library for purposes of this Act.

(28) LITERACY.—The term ''literacy'' means an individual's ability to read, write, and speak in English, and compute and solve problems, at levels of proficiency necessary—

(A) to function on the job, in the individual's family and in society;

(B) to achieve the individual's goals; and

(C) to develop the individual's knowledge potential.

(29) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the same meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965.

(30) MIGRANT FARMWORKER.—The term ''migrant farmworker'' means a seasonal farmworker whose farm work requires travel such that the worker is unable to return to a permanent place of residence within the same day.

(31) NATIVE AMERICAN.—The term ''native American'' means Indians, Alaskan natives, and Hawaiian natives.

(32) NONTRADITIONAL EMPLOYMENT.—The term ''nontraditional employment'' as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.

(33) ON-THE-JOB TRAINING.—The term ''on-the-job training'' means training in the public or private sector that is provided to a paid employee while engaged in productive work that—

(A) provides knowledge or skills essential to the full and adequate performance of the job;

(B) provides reimbursement to employers, up to 50 percent of the participant's wage rate, for the extraordinary costs of providing training and additional supervision; and

(C) is based on the Occupational Employment Statistics Program Dictionary.

(34) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term ''postsecondary educational institution'' means an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965) which continues to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.).

(35) PREEMPLOYMENT SKILLS TRAINING; JOB READINESS SKILLS TRAINING.—The terms ''preemployment skills training'' and ''job readiness skills training'' mean training that builds on family efforts to help prepare individuals for work by assuring that they are familiar with general workplace expectations and exhibit work behavior and attitudes necessary to compete successfully in the job market.

(36) PUBLIC ASSISTANCE.—The term ''public assistance'' means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.

(37) RAPID RESPONSE.—The term ''rapid response'' means assistance that is directly provided by the State, or by local grantees with funds provided by the State, in the case of mass layoffs or plant closures, and that establishes on-site contact with employer and employee representatives within a short period of time (preferably 48 hours or less) after becoming aware of a current or projected permanent closure or substantial layoff in order to—

(A) provide information on, and facilitate access to, available public programs and services for workers losing jobs as a result of such layoff or closure;

(B) provide emergency assistance adapted to the particular closure or layoff;

(C) promote the formation of labor-management committees, where appropriate;

(D) collect information related to economic dislocation and available resources within the State for dislocated workers;

(E) provide or obtain appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert worker dislocation; and

(F) assist the local community in developing its own coordinated response and in obtaining access to State economic development assistance.

(38) REGISTERED APPRENTICESHIP.—The term ''registered apprenticeship'' means a program registered by the Bureau of Apprenticeship and Training in the United States Department of Labor, or a State Apprenticeship Agency recognized and approved by the Bureau of Apprenticeship and Training as the appropriate body for State registration or approval of local apprenticeship programs and agreements.

(39) SCHOOL DROPOUT.—The term ''school dropout'' means a youth who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

(40) SEASONAL FARMWORKER.—The term ''seasonal farmworker'' means a person who during the eligibility determination period (12 consecutive months out of 24 months prior to application) has been primarily employed in farm work that is characterized by chronic unemployment or under employment.

(41) SKILL CERTIFICATE.—The term ''skill certificate'' means a portable, industry-recognized credential achieved through programs authorized under this Act, that certifies that an individual has mastered occupational skills at levels that are at least as challenging as skill standards endorsed by the National Skill Standards Board, except that until such skill standards are developed, the term ''skill certificate'' means a credential issued under a process endorsed by the State, based upon established industry standards and benchmarks.

(42) STATE.—The term ''State'' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

(43) STATE EDUCATIONAL AGENCY.—The term ''State educational agency'' has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965.

(44) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term ''State library administrative agency'' means the official agency of a State charged by the law of the State with the extension and development of public library services throughout the State.

(45) SUPPORTIVE SERVICES.—The term ''supportive services'' means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training or vocational rehabilitation program or job search activities funded under this Act. Such supportive services may include transportation, individual and family counseling, child care and dependent care, meals, temporary shelter, financial counseling, needs-based payments, and other reasonable expenses required for participation in a training, job preparation, or job placement program. Such services may be provided in-kind or through cash assistance, except that such services will be provided with funds provided under this Act only after alternative funding sources specifically designated for such services have been exhausted.

(46) UNEMPLOYED.—The term ''unemployed'' refers to an individual who is not employed, who is available for work, and who has made specific efforts to find a job within the prior 4 weeks. Included as unemployed are individuals who are not working, are available for work, and are waiting to be called back to a job from which they have been laid off.

(47) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ''unit of general local government'' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

(48) VETERAN.—The term ''veteran'' has the meaning given such term in section 101(2) of title 38, United States Code.

(49) WORK EXPERIENCE.—The term ''work experience'' means a time-limited work activity that provides an individual with the opportunity to acquire the general skills and knowledge necessary to obtain employment.

(50) WORKPLACE MENTOR.—The term ''workplace mentor'' means an employee or other individual, approved by the employer at a workplace, who possesses the skills and knowledge to be mastered by a student or program participant, and who instructs, critiques the performance, and challenges the student or program participant to perform well, and works in consultation with classroom teachers, training providers, parents, and the employer of the student or program participant.

(51) YOUTH.—The term ''youth'' means an individual under the age of 24.

SEC. 6. TRANSITION.

The Secretary of Education and the Secretary of Labor shall take such steps as they determine to be appropriate to provide for the orderly transition from any authority under provisions of statutes amended or repealed by this Act or any related authority under provisions of this Act.

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

SEC. 101. PURPOSE OF TITLE.

The purpose of this title is to provide for the establishment of an infrastructure within States on which to build a comprehensive system of workforce development and literacy.

Subtitle A—State and Local Responsibilities

SEC. 102. STATE REQUIREMENTS.

(a) IN GENERAL.—For fiscal year 1997 and subsequent fiscal years, a State that desires to receive a grant under one or more of the programs specified in subsection (b) shall—

(1) establish a collaborative process, pursuant to section 103;

(2) develop a State workforce development and literacy plan, pursuant to section 104; and

(3) otherwise comply with the requirements of this Act.

(b) WORKFORCE DEVELOPMENT AND LITERACY PROGRAMS.—

(1) IN GENERAL.—The programs referred to in subsection (a) are the following:

(A) The program under title II, the Youth Development and Career Preparation Consolidation Grant.

(B) The program under title III, the Adult Employment and Training Consolidation Grant.

(C) The program under subtitle A of title IV, the Adult Education and Family Literacy Consolidation Grant.

(D) The program amended by subtitle A of title V (relating to title I of the Rehabilitation Act of 1973).

(2) DEFINITION.—For purposes of this Act, the term ''Workforce Development and Literacy programs'' means the programs specified in paragraph (1).

SEC. 103. COLLABORATIVE PROCESS REGARDING STATE SYSTEM.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall certify to the Secretary of Education and the Secretary of Labor that a collaborative process, as described in subsection (b) or (c), has been used in complying with the applicable provisions of this Act.

(b) COLLABORATIVE PROCESS.—The collaborative process referred to in subsection (a) is a process for making decisions which includes as participants, at a minimum, the Governor and—

(1) representatives of (which representatives are appointed by the Governor)—

(A) business and industry;

(B) local chief elected officials (representing both cities and counties);

(C) local educational agencies (including vocational educators);

(D) postsecondary institutions (including community and technical colleges);

(E) the State rehabilitation advisory council;

(F) organizations representing individuals served by programs established under this Act (including community-based organizations);

(G) employees;

(H) Parents or organizations representing parents; and

(I) providers of workforce development services (including private-for-profit sector providers); and

(2) the lead State agency official or officials for—

(A) the State educational agency or agencies (including the lead official or officials for vocational education, adult education and literacy, and libraries);

(B) the State agency responsible for economic development;

(C) the State agency or agencies responsible for employment security and for job training;

(D) the State agency responsible for postsecondary education;

(E) the State agency responsible for vocational rehabilitation, and where applicable, the State agency providing vocational rehabilitation services for the blind;

(F) the State agency responsible for administering welfare benefits; and

(G) the representative of the Veterans' Service assigned to the State under section 4103 of title 38, United States Code.

(c) RULE OF CONSTRUCTION.—With respect to compliance with subsection (b)—

(1) a State may use any existing State process (including any council or similar entity) that substantially meets the purposes of such subsection; or

(2) if prior to the date of enactment of this Act, a State has developed a one-stop career center system or a school-to-work system through a collaborative process substantially similar to the process described in subsection (b), the State may use such process.

(d) AUTHORITY OF GOVERNOR.—

(1) FINAL AUTHORITY.—If, after a reasonable effort, a Governor is unable to obtain agreement through the collaborative process described in subsection (b) or (c), the Governor shall have final authority to make decisions and to submit the State plan as described under section 104.

(2) EXCEPTION.—Nothing in this Act shall be construed to negate or supersede the legal authority, under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official. Nothing in this Act shall be construed to interfere with the authority of such agency, entity, or official to enter into a contract under any provision of law.

SEC. 104. CONSOLIDATED STATE WORKFORCE DEVELOPMENT AND LITERACY PLAN.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall submit a strategic State workforce development and literacy plan that provides policy guidance with respect to workforce development programs operated in the State, and that meets the requirements of this section to the Secretary of Education and the Secretary of Labor.

(b) CONTENTS.—A State workforce development and literacy plan shall include the following:

(1) A description of the collaborative process under section 103 used in developing the plan.

(2) A statement of the goals of the State workforce development and literacy system, that includes—

(A) a description of how the State will progress toward achieving the goals and purpose of this Act as established in sections 3(a)(5) and 3(b);

(B) an assessment of the needs of the State with regard to current and projected demands for workers by occupation, the skills and education levels of the workforce, the vocational rehabilitation needs of individuals with severe disabilities residing in the State, the skill and economic development needs of the State, and an assessment of the type and availability of youth development and career preparation, workforce development, adult education, vocational rehabilitation, and literacy programs and services in the State; and

(C) the identification of progress indicators, based on the core indicators of performance described in section 110(f), built upon a model of continuous improvement, that the State will use to measure progress made by the State, local workforce development boards, and other applicable local entities who are recipients of financial assistance under this Act in meeting such goals;

(3) A description of how the State has complied, or will comply, with the provisions of sections 105 through 108.

(4) A description of how a State will participate in the national labor market information system under title II of the Wagner-Peyser Act, as added by section 132 of this Act.

(5) Any information required to be included in the plan under any of titles II through IV, and title I of the Rehabilitation Act of 1973, (in the case of a State that desires to receive a grant under any such title).

(6) A description of the measures that will be taken by the State to ensure coordination and consistency and avoid duplication among programs receiving assistance under this Act, including a description of common data collection and reporting processes.

(7) A description of the process used by the State to provide an opportunity for public comment, and input into the development of the plan, prior to submission of the plan.

(8) A description of the process used by the State to consult with representatives of business and industry with respect to the requirements of subparagraphs (A), (B), and (C) of paragraph (2) of this subsection.

(9) Assurances that the State will provide for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State under this Act.

(10) A description of the sanctions which the State may impose (including restrictions from future participation or consideration for funding) in instances where recipients of funds under this Act fail to achieve agreed upon expected performance levels, fail to adhere to State mandated fiscal control and funds accounting procedures, or take or fail to take other actions required under the State plan, contracts, or other agreements.

(c) DISAGREEMENT.—The Governor shall accept and include with the plan submitted under subsection (a) any disagreeing views submitted by a participant of the collaborative process if such views represent disagreement in the area in which such participant was selected for representation.

(d) MODIFICATIONS TO PLAN.—A plan submitted by a State in accordance with this section remains in effect until the State submits to the Secretary such modifications as the State determines necessary. This section applies to the modifications to the same extent and in the same manner as this section applies to the original plan.

SEC. 105. ESTABLISHMENT OF WORKFORCE DEVELOPMENT AREAS.

The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall, through the collaborative process established under section 103 and after consultation with local chief elected officials, and after consideration of comments received through the public participation process as described in the State plan, designate local workforce development areas within the State taking into consideration the following:

(1) Existing labor market areas.

(2) Units of general local government.

(3) Geographic areas served by local educational agencies and intermediate educational agencies.

(4) Geographic areas served by postsecondary institutions and area vocational education schools.

(5) Service delivery areas established under section 101 of the Job Training Partnership Act (29 U.S.C. 1511) (as such Act was in effect on the day before the date of the enactment of this Act).

(6) The distance that individuals will need to travel to receive services from integrated career centers.

SEC. 106. PROVISIONS REGARDING LOCAL WORKFORCE DEVELOPMENT BOARDS.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall ensure the establishment of a local workforce development board in each local workforce development area within the State.

(b) STATE CRITERIA.—The Governor, through the collaborative process described under section 103, is authorized to establish criteria for use by local chief elected officials in the workforce development area, in the selection of members of local workforce development boards, in accordance with requirements prescribed under subsections (c) and (d).

(c) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(1) a majority of members who are representatives of business and industry, including individuals who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policymaking authority in local businesses, selected from among nominees submitted by local business organizations and trade associations;

(2) an individual or individuals with disabilities, who have special knowledge or expertise in the area of vocational rehabilitation;

(3) representatives of education and training, including local educational agencies, postsecondary education institutions, and providers of job training and workforce development services, selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of postsecondary education (including community colleges), providers of job training and workforce development services (including private-for-profit providers), within the workforce development area; and

(4) representatives of community-based organizations, employees, and veterans as nominated or recommended to the board through a process established by the Governors through the collaborative process.

(d) ESTABLISHMENT OF BOARD.—

(1) SELECTION OF BOARD MEMBERS.—

(A) SINGLE UNIT OF LOCAL GOVERNMENT IN AREA.—In the case of a workforce development area that is comprised of only one unit of general local government, the chief elected official of such unit is authorized to select the members of the local workforce development board for such area, in accordance with the State criteria developed pursuant to subsection (b).

(B) MULTIPLE UNITS IN AREA.—In the case of a workforce development area that is comprised of more than one unit of general local government, the chief elected officials of such units are authorized to select the members of the local workforce development board from the individuals so nominated or recommended for such area in accordance with an agreement entered into by such officials and with the State criteria developed under subsection (b). In the absence of such an agreement, the appointments are authorized to be made by the Governor, through the collaborative process, from the individuals so nominated or recommended.

(2) CERTIFICATION.—The Governor is authorized to biennially certify one local workforce development board for each workforce development area.

(3) EXCEPTION.—In any case in which a local workforce development area is a State, the individuals comprising the Governor's collaborative process as described in section 103, may be reconstituted to meet the requirements of this section.

(e) DUTIES OF LOCAL WORKFORCE DEVELOPMENT BOARD.—

(1) LOCAL WORKFORCE DEVELOPMENT PLAN.—Each local workforce development board shall develop a biennial strategic plan and provide policy guidance with respect to workforce development programs operated within their respective workforce development areas. Such strategic plan shall be consistent with the State's collaborative workforce development and literacy plan, be approved by the appropriate chief elected official or officials, and be submitted to the Governor for approval. If after a reasonable effort, a local workforce development board is unable to obtain the approval of the chief elected official or officials, the Board has the authority to forward the plan, with the comments of the chief elected official or officials, to the Governor for final approval or disapproval. Such local plan shall include the following:

(A) Both short-term and long-term goals, and related strategies, to ensure that workforce preparation and development programs, including programs established pursuant to this Act, title I of the Rehabilitation Act of 1973, and the Wagner-Peyser Act, contribute to a coherent workforce development system in the workforce development area.

(B) A description of the performance measures to be used by the local workforce development board for measuring the performance of local service providers under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and the performance of integrated career center system operators, with whom the Board contracts.

(C) A description of the local integrated career center system to be established in the workforce development area, including—

(i) a description of the process the local workforce development board will use to designate or establish a career center system which ensures that the most effective and efficient service providers are chosen;

(ii) an identification of the roles of individual workforce development programs and programs authorized by the Wagner-Peyser Act; and

(iii) a description of the funding sources to be used in the operation of the career center system.

(D) A description of strategies the local workforce development board will undertake to fully involve local employers, local educational agencies, postsecondary education institutions, adult education and literacy providers, local service providers, parents

and other consumers, including individuals with disabilities, and older workers in the development of the workforce development system.

(F) Such other information as requested by the State.

(2) IDENTIFICATION OF OCCUPATIONS IN DEMAND AND TRAINING NEEDS.—The local workforce development board shall use available labor market information and other appropriate methods in order to identify and assess the needs of the workforce development area.

(3) BUDGET AND PROGRAM OVERSIGHT.—

(A) BUDGETING.—

(i) The local workforce development board, working through the State administrative agent, shall develop a budget for the purpose of carrying out local programs established under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and for integrated career center systems established or designated under section 107 with the exception of funds made available under the Wagner-Peyser Act.

(ii) Such budget shall be subject to the approval of the appropriate chief elected official or officials in the workforce development area.

(B) PROGRAM OVERSIGHT.—The local workforce development board, in partnership with the chief elected official or officials in the workforce development area, shall conduct oversight of the workforce development programs listed in subparagraph (A), and of the integrated career center system established under this title.

(4) ADMINISTRATION.—

(A) FISCAL AGENT.—

(i) The local workforce development board may receive and disburse funds made available for carrying out programs authorized under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973 of this Act, or the local workforce development board may designate a fiscal agent (which may include the State through a mutual agreement between the local board and the State), for the purpose of disbursement of funds to career centers and other service providers, as designated by the local workforce development board.

(ii) The Board may employ its own staff, independent of local programs and service providers, and may solicit or accept grants and contributions from sources other than from this Act.

(B) LIMITATION.—The workforce development board, or employees of such board, may not operate programs established under this Act. The Governor is authorized to prohibit the employees of agencies providing staff support to such local workforce development boards from providing workforce development services to individuals served through the use of funds authorized under this Act, and under title I of the Rehabilitation Act of 1973.

(C) CONFLICT OF INTEREST.—A member of a workforce development board may not—

(i) discuss or participate in board consideration; or

(ii) cast a vote;

regarding the provision of services by such member (or by an organization that such member represents) or regarding any matter that would provide direct financial benefit to such member. The Governor may enforce more rigorous conflict of interest standards, as determined appropriate.

(D) INDEPENDENT AUTHORITY.—

(i) The Board shall elect its own chairperson from among the members of the board.

(ii) The board may adopt bylaws and other operating procedures as consistent with the purposes of this Act, and with the policies established in the State workforce development and literacy plan.

(5) OTHER.—The Governor may require local workforce development boards to carry out such other duties as determined to be appropriate by the Governor and the individuals and entities described in section 103, through the collaborative process described in the State plan.

SEC. 107. ESTABLISHMENT OF INTEGRATED CAREER CENTER SYSTEMS.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall ensure that each local workforce development board establish or designate an integrated career center system in the workforce development area of such board, consistent with criteria established under subsection (b).

(b) STATE CRITERIA.—The Governor, through the collaborative process described under section 103, is authorized to establish statewide criteria for use by local workforce development boards in the designation or establishment of integrated career center systems to ensure that the most effective and efficient service providers are chosen, consistent with the requirements prescribed under subsection (c).

(c) INTEGRATED CAREER CENTER SYSTEM REQUIREMENTS.—At a minimum, integrated career center systems shall include—

(1) common intake;

(2) preliminary assessment;

(3) integrated job search assistance;

(4) to the extent practicable, as determined by the Governor, unified and linked computer systems, including the availability of labor market information as described under title II of the Wagner-Peyser Act, as added by section 132 of this Act, and linkages through uniform management information systems; and

(5) to the extent practicable, as determined by the Governor, at least one physical, co-located site which provides comprehensive and fully integrated workforce development services to any individual seeking such services.

Local workforce development areas are encouraged to establish a network of comprehensive and fully-integrated co-located career centers to provide the services described in subsection (f), supplemented with multiple affiliated sites or satellites that provide one or more of such services and are linked through electronic and technological access points. Such affiliated sites may include entities designated as having a specialization in addressing special needs, such as the needs of individuals with disabilities.

(d) COMMON ACCESS.—Information pertaining to the labor market which is compiled pursuant to title II of the Wagner-Peyser Act, as added by section 132 of this Act, shall be available, to the extent practicable, through integrated electronic networks, at all integrated career centers and affiliated sites.

(e) ELIGIBILITY FOR DESIGNATION.—Any entity or consortium of entities located in the workforce development area may be designated by the local workforce development board to operate an integrated career center or to participate in an integrated career center system. Such entities may include the following:

(1) Institutions of higher education.

(2) Area vocational education schools.

(3) Local employment service offices, established under the Wagner-Peyser Act.

(4) Private nonprofit organizations, (including community-based organizations).

(5) Private for-profit entities.

(6) Agencies of local governments.

(7) Other interested organizations and entities of demonstrated effectiveness, including local chambers of commerce and other business organizations, consistent with State criteria established pursuant to subsection (b).

(f) DUTIES.—Each integrated career center system shall, to the extent practicable as determined by the Governor, carry out the following duties:

(1) PROVISION OF CORE SERVICES.—An integrated career center system shall make available the following information and core services to individuals on a universal and nondiscriminatory basis, with reasonable accommodations to address the needs of individuals with disabilities, in the workforce development area in which such center is located:

(A) Outreach and intake for services provided under chapter 2 of title II, title III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973.

(B) A preliminary assessment of the skill levels and the need for services of the individual for programs under chapter 2 of title II, title III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973 of individuals, which may include such factors as basic skills, occupational skills, career development skills, prior work experience, employability, interests, aptitudes, vocational rehabilitation needs, and supportive service needs.

(C) Labor market information relating to local and State, and if appropriate, to regional or national, occupations in demand and skill requirements for such occupations, including job listings for the local labor market.

(D) Information relating to youth services, including information on at-risk youth development and career preparation programs authorized under title II, on vocational education and school-to-work opportunities, and on youth apprenticeship opportunities.

(E) Career counseling and career planning based on a preliminary assessment of the individual.

(F) Job search assistance.

(G) Information related to vocational rehabilitation services, as provided for in title I of the Rehabilitation Act of 1973.

(H) Information relating to federally funded education and job training programs (including registered apprenticeships), and student aid programs, including the eligibility requirements of and services provided by such programs.

(I) Information on, and assistance in accessing referral to additional services through programs providing adult education and literacy services, vocational rehabilitation, youth and adult workforce preparation and development, and supportive services, including those programs authorized in titles II through IV, title I of the Rehabilitation Act of 1973, available in the workforce development area.

(J) Information on the extent to which the services provided under titles II and III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973, meet or exceed the expected levels of performance described in the State and local plans, and the performance-based information provided by the State to local workforce development boards on certified providers of education and training, as required under section 108(d)(3).

(K) Acceptance of applications for unemployment compensation.

(L) Other appropriate activities to assist individuals into employment.

(2) DISTRIBUTION OF CAREER GRANTS.—A center or an affiliated site may serve as the point of distribution of career grants for education, training, and vocational rehabilitation services to eligible individuals in accordance with section 108.

(3) SPECIAL ARRANGEMENTS.—For the purpose of providing core services to individuals with severe disabilities in the most effective and efficient manner possible, the integrated career center system may arrange to have such core services provided to an individual by a certified provider or the State either on a contract basis or through the use of career grants.

(g) ADDITIONAL SERVICES.—Integrated career center systems, may provide customized workforce development services to employers on a fee-for-service basis, as determined by the local workforce development board.

(h) ALTERNATIVE STATE STRATEGY.—Through the collaborative process described in section 103, the Governor has the authority to develop alternative strategies to the integrated career center system, which are designed to accomplish the full integration of workforce development programs. These alternative strategies shall be described in a proposal to the Secretaries of Education and Labor for joint review and approval or disapproval not later than 60 days after the date of receipt of such proposal.

SEC. 108. IDENTIFICATION OF ELIGIBLE EDUCATION, TRAINING, AND VOCATIONAL REHABILITATION SERVICE PROVIDERS.

(a) ELIGIBILITY REQUIREMENTS.—A program offered by a provider of education and training services shall be eligible to receive funds under title III, and title I of the Rehabilitation Act of 1973 through the receipt of career grants, or through contract, if such program and provider—

(1) is either—

(A) eligible to participate in title IV of the Higher Education Act of 1965, or

(B) determined to be eligible under the procedures described in subsection (b); and

(2) provides the performance-based information required pursuant to subsection (c), except that providers eligible under subparagraph (A) only have to provide information for programs other than programs leading to a degree.

(b) ALTERNATIVE ELIGIBILITY PROCEDURE.—

(1) IN GENERAL.—The Governor shall establish an alternative eligibility procedure for providers of education, training, and vocational rehabilitation services (which may include private sector, for profit and nonprofit providers of such services) in any State desiring to receive funds under title III of this Act and title I of the Rehabilitation Act of 1973, but that are not eligible to participate in title IV of the Higher Education Act of 1965. Such procedure shall establish minimum acceptable levels of performance for such providers, and be based on guidelines developed by the Secretaries of Labor and Education. The Governor may utilize such criteria to certify service providers as having the ability to meet occupational skill standards promoted by the National Skill Standards Board, or to meet, high, industry-recognized standards that result in a portable skill certificate in the subject, occupation, or industry for which training is provided, except where such standards are not appropriate for the services rendered. The Governor shall utilize the local workforce development boards, for the identification of eligible qualified providers of education, training, and vocational rehabilitation services. During a transition period, not to exceed 2 years, identification of eligible programs and providers under this subsection may be based on the performance of such programs and providers under the Job Training Partnership Act, the Rehabilitation Act of 1973, or other objective measures of previous performance, such as employer evaluations.

(2) Notwithstanding paragraph (1), if the participation of an institution of higher education in any of the programs under such title of such Act is terminated, such institution shall not be eligible to receive funds under this Act for a period of not less than two years.

(c) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by providers of services for programs to be eligible under this section. Such information may include information, relating to—

(1) the percentage of students completing the programs conducted by the provider;

(2) the rates of licensure of graduates of the programs conducted by the provider;

(3) the percentage of graduates of the programs meeting industry-recognized skill standards and certification requirements that are at least as challenging as skill standards endorsed by the National Skill Standards Board, once such standards are available.

(4) measures of program effectiveness such as the rates of placement and retention in employment, and the earnings of graduates of programs conducted by the provider, employer evaluations of provider services, and adherence to accepted industry quality standards (where available) by such providers;

(5) the percentage of students who obtained employment in an occupation related to the program conducted by the provider;

(6) the warranties or guarantees provided by such provider relating to the skill levels or employment to be attained by students;

(7) other information for providers of services under title I of the Rehabilitation Act of 1973 that reflects the priority of serving individuals with severe disabilities; and

(8) the percentage of students who, as a result of participation in the program demonstrate significant gains in literacy and basic skills.

(d) ADMINISTRATION.—

(1) STATE AGENCY.—The Governor is authorized to designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to subsection (c).

(2) APPLICATION.—A provider of education and training services that desires to be eligible to receive funds under this title shall submit the information required under subsection (c) to the State agency designated under paragraph (1) of this subsection at such time and in such form as such State agency may require.

(3) LIST OF ELIGIBLE PROVIDERS.—The State agency shall compile a list of eligible programs and providers, accompanied by the performance-based information submitted, and disseminate such list and information to the local workforce development boards and integrated career center systems within the State.

(4) ACCURACY OF INFORMATION.—

(A) IN GENERAL.—If the State agency determines that information concerning a provider is inaccurate, such provider shall be disqualified from receiving funds under this title for a period of not less than two years, unless such provider can demonstrate to the satisfaction of the Governor or his or her designee, that the information was provided in good faith.

(B) APPEAL.—The Governor shall establish a procedure for a service provider to appeal a determination by a State agency that results in a disqualification under subparagraph (A). Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(5) ASSISTANCE IN DEVELOPING INFORMATION.—The State agency established pursuant to paragraph (1) may provide technical assistance to education, training, and vocational rehabilitation providers in developing the information required under subsection (b). Such assistance may include facilitating the utilization of State administrative records, such as unemployment compensation wage records, and other appropriate coordination activities.

(e) ON-THE-JOB TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training are not subject to the requirements of subsections (a), (b), (c), and (d).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—The Workforce Development Board shall collect such performance-based information from on-the-job training providers as the Governor may require, and disseminate such information to the local integrated career center systems.

(f) RULE OF CONSTRUCTION REGARDING STATE AS PROVIDER OF SERVICES.—This section does not prohibit a State from being a provider of education and training services under title III, or under title I of the Rehabilitation Act of 1973, subject to the State meeting the requirements of this section for serving as such a provider.

SEC. 109. MANAGEMENT INFORMATION SYSTEMS.

(a) IN GENERAL.—Each State is authorized to use a portion of the funds it receives under this Act to design a unified management information system that is in accordance with guidelines established jointly by the Secretaries in consultation with the Governors.

(b) REQUIREMENTS.—Each unified management information system shall, to the extent practicable as determined by the Governor—

(1) be utilized for federally required fiscal reporting and monitoring for each of the programs authorized under this Act;

(2) be used by all agencies involved in workforce development activities, including integrated career center systems which shall have the capability to track the overall public investments within the State and workforce development areas, and to inform policymakers as to the results being achieved and the demographic characteristics of the individuals served through that investment;

(3) contain a common structure of financial reporting requirements, fiscal systems and monitoring for all workforce development expenditures included in the workforce development system that shall utilize common data elements and the definitions included in section 5;

(4) support local efforts to establish workforce development systems, including intake and eligibility determination for all services; and

(5) contain data on the demographic characteristics on the participants served by programs authorized under this Act, which shall be collected, produced, and published by the Secretaries.

(c) PRIVACY.—Nothing in this Act shall violate the provisions of the Family Education Rights and Privacy Act under section 444 of the General Education Provisions Act and the privacy and confidentiality provisions under section 22(b) of title II of the Wagner Peyser Act as amended by this Act.

SEC. 110. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) IN GENERAL.—In order to promote high levels of performance and to ensure an appropriate return on the Nation's investment in the workforce development and literacy system, each State receiving funds under this Act shall develop, or have developed, a statewide performance accountability system in accordance with the provisions of this section.

(b) INDICATORS OF PERFORMANCE.—

(1) IN GENERAL.—Each State receiving funds under this Act shall identify indicators

of performance for each of the programs established under titles II through IV of this Act and title I of the Rehabilitation Act of 1973, consistent with State goals as described in the State plan in accordance with section 104. Such indicators shall, at a minimum, include the core indicators described in subsection (f), and be expressed in an objective, quantifiable, and measurable form. Such indicators may also include post-program surveys measuring customer satisfaction of both employers and program participants.

(2) TECHNICAL DEFINITIONS OF CORE INDICATORS.—In order to ensure nationwide comparability of performance data, the Secretary of Labor and the Secretary of Education, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, parents and other interested parties, shall promulgate technical definitions of each of the core indicators described in subsection (f), to be used under this Act in measuring performance.

(c) EXPECTED LEVELS OF PERFORMANCE.—

(1) IN GENERAL.—(A) Each State shall identify the level of performance, consistent with State goals described under section 104, that is expected for local workforce development areas and other applicable local administrative entities under this Act. In determining such levels, the State shall take into account the challenging levels identified under paragraph (2), and initially develop baseline levels of performance upon which the State will measure continuous improvement.

(B) The Governor, through the collaborative process, may adjust the expected level of performance with respect to each local area taking into account specific economic, demographic, and geographic factors, and the characteristics of the population to be served.

(2) CHALLENGING LEVELS OF PERFORMANCE.—In order to encourage high levels of performance and advance the Nation's competitiveness in the global economy, the Secretary of Labor and the Secretary of Education, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, parents and other interested parties, shall identify challenging levels of performance with respect to appropriate core indicators selected from among the core indicators described in subsection (f). Where applicable, such challenging levels of performance shall reflect industry-recognized skill standards.

(d) REPORT ON PERFORMANCE.—

(1) IN GENERAL.—The State shall report to the Secretary of Labor and the Secretary of Education, the levels of performance achieved by local workforce development areas and other applicable local administrative entities with respect to the indicators identified pursuant to subsection (b)(1) for each program year. The Secretaries shall make such information available to the general public through publication and other appropriate methods, and shall disseminate State-by-State comparisons, and comparisons with other industrialized nations (where appropriate).

(2) REPORTING OPTIONS.—In the collection and reporting of such data, States are encouraged to utilize administrative reporting data on quarterly earnings, establishment and industry affiliation, and geographic location of employment, such as unemployment insurance wage-data records.

(e) CONSEQUENCES FOR POOR PERFORMANCE.—

(1) CRITERIA.—The Governor, through the collaborative process, is authorized to establish criteria for determining whether local workforce development areas and other applicable local administrative entities have failed to meet expected levels of performance with respect to programs under this Act.

(2) CONSEQUENCES FOR POOR PERFORMANCE.—

(A) STATE CONSEQUENCES.—If a State fails to meet expected levels of performance for a program for any program year as established pursuant to subsection (a), the Secretary of Education or the Secretary of Labor, as appropriate to the particular program, may provide technical assistance, including assistance in the development of a performance improvement plan. If such failure continues for a second consecutive year, the appropriate Secretary may reduce by not more than 5 percent, the amount of the grant that would (in the absence of this paragraph) be payable to the State under such program for the immediately succeeding program year. Such penalty shall be based on the degree of failure to meet expected levels of performance.

(B) LOCAL CONSEQUENCES.—(i) If a local workforce development area, or other applicable local administrative entity, fails to meet expected levels of performance for a program for any program year under the criteria established in paragraph (1), the Governor, through the collaborative process, may provide technical assistance, including the development of a performance improvement plan.

(ii) If such failure continues for a second consecutive year, the Governor may take corrective actions, such as the withholding of funds, the redesignation of a local administrative entity, or such other actions as the Governor, through the collaborative process, determines are appropriate, consistent with State law, section 104(c)(3) of this Act, and the requirements of this Act.

(f) CORE INDICATORS OF PERFORMANCE.—

(1) COMMON CORE INDICATORS FOR ADULTS.—In addition to the core indicators of performance described in paragraph (2), common core indicators of performance for programs conducted under titles III and IV of this Act, and under title I of the Vocational Rehabilitation Act of 1973 shall be weighted and applied to each of the individual programs, according to the purposes of such titles, and include measures of—

(A) placement in unsubsidized employment;

(B) retention in unsubsidized employment for not less than 6 months and for not less than 12 months, respectively;

(C) increases in earnings, or in earnings in combination with employer-assisted benefits;

(D) attainment of industry-recognized occupational skills, including basic workplace competencies and industry-recognized skill standards, which may include the acquisition of a skill certificate in the occupation for which the individual has been prepared;

(E) attainment of a high school diploma, a general equivalency diploma, or a certificate of completion of a program authorized under the Rehabilitation Act of 1973; and

(F) such other measures of performance that the State may wish to collect.

(2) ADDITIONAL CORE INDICATORS FOR ADULTS.—

(A) ADULT EMPLOYMENT AND TRAINING PROGRAMS.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title III shall include measures of the success of individuals with barriers to employment, including dislocated workers, economically disadvantaged individuals, older workers, individuals with disabilities, displaced homemakers, veterans, and individuals who are basic skills deficient, in achieving performance goals established pursuant to this Act.

(B) ADULT EDUCATION AND FAMILY LITERACY PROGRAMS.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title IV shall include measures of—

(i) the number of individuals who, as a result of participation in programs funded under this Act, demonstrate significant gains in literacy skills; and

(ii) such other measures of performance that the State may wish to collect, including measures of the success of family literacy programs, increased English language skills, and increased community involvement.

(C) PROGRAMS ESTABLISHED UNDER TITLE I OF THE REHABILITATION ACT OF 1973.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title I of the Rehabilitation Act of 1973 shall include measures of the success of individuals with severe disabilities, including those individuals determined to have a disability under title II or title XVI of the Social Security Act, in achieving performance goals established pursuant to this Act.

(3) CORE INDICATORS FOR YOUTH DEVELOPMENT AND CAREER PREPARATION PROGRAMS.—The core indicators of performance for programs conducted under title II shall include measures of—

(A) attainment of challenging State academic standards;

(B) attainment of a high school diploma or a general equivalency diploma;

(C) attainment of industry-recognized occupational skills, including basic workplace competencies and industry-recognized skill standards, which may include the acquisition of a skill certificate in the occupation for which the individual has been prepared; if such skill certificate is acquired in addition to or in combination with a high shool diploma or general equivalency diploma;

(D) reduction in school dropout rates;

(E) positive results such as placement in postsecondary education or advanced training, military service, employment, or registered apprenticeships;

(F) the success of individuals described under section 201(12) in achieving performance goals established pursuant to this Act, including placement in nontraditional training and employment; and

(G) such other measures of performance that the State may wish to collect.

SEC. 111. LIMITATION ON FEDERAL REGULATIONS.

The Secretary of the Department of Labor and the Secretary of the Department of Education shall issue regulations under this Act only to the extent that such regulations are necessary to ensure that there is compliance with the specific requirements of this Act.

SEC. 112. GENERAL PROVISION.

Nothing in this Act shall mandate that any individual, particularly youth served under title II of this Act, be required to choose a specific career path or major.

SEC. 113. LIABILITY.

Expenditures that are disallowed (except in the case of fraud, embezzlement, or other criminal activities) under this Act or under title I of the Rehabilitation Act of 1973, may be repaid from funds allocated under the title for which such disallowance occurs, in subsequent program years or fiscal years, as appropriate, after the year in which such disallowance occured. The amount of funds repaid should be equal to the amount of funds disallowed.

Subtitle B—Amendments to Wagner-Peyser Act

SEC. 131. GENERAL PROGRAM REQUIREMENTS.

(a) DEFINITIONS.—Section 2 of the Act of June 6, 1933 (commonly known as the ''Wagner-Peyser Act'') (29 U.S.C. 49a) is amended—

(1) in paragraph (1), by striking ''Job Training Partnership Act'' and inserting ''Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act'';

(2) in paragraph (2) to read as follows:

''(2) the term 'local workforce development board' means a local workforce development board established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;'';

(3) in paragraph (4) to read as follows:

''(4) the term 'local workforce development area' means a local workforce development area established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;'';

(4) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following new paragraphs:

''(6) the term 'public employment office' means an office which provides employment services to the general public as part of an integrated career center system; and

''(7) the term 'integrated career center system' means an integrated career center system established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.''.

(b) DUTIES.—Section 3(a) of such Act (29 U.S.C. 49b(a)) is amended to read as follows:

''(a) The Secretary of Labor shall, pursuant to title II of this Act—

''(1) assist in the coordination and development of a nationwide system of labor exchange services for the general public;

''(2) assist in the development of performance standards, benchmarks, and continuous improvement models for such nationwide system which ensures private sector satisfaction and meets the demands of jobseekers; and

''(3) ensure the continued services for individuals receiving unemployment compensation.''.

(c) REQUIREMENTS FOR RECEIPT OF FUNDS.—Section 4 of such Act (29 U.S.C. 49c) is amended by striking ''a State shall, through its legislature'' and inserting ''the Governor of a State shall, through the collaborative process described in title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 5 of such Act (29 U.S.C. 49d) is amended by inserting before the period at the end the following: '', of which not less than 25 percent shall be for carrying out both section 14 and title II of this Act''.

(e) USE OF FUNDS UNDER THIS ACT.—Section 7(c)(2) of such Act (29 U.S.C. 49f(c)(2)) is amended by striking ''any of the following provisions of law'' and all that follows and inserting ''the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.''.

(f) STATE PLAN.—Section 8 of such Act (29 U.S.C. 49g) is amended—

(1) in subsection (a) to read as follows:

''(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State workforce development and literacy plan authorized under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, detailed plans for carrying out the provisions of this Act within such State.'';

(2) by striking subsections (b), (c), and (e); and

(3) by redesignating subsection (d) as subsection (b).

(g) ELIMINATION OF FEDERAL ADVISORY COUNCIL.—Section 11 of such Act (29 U.S.C. 49j) is hereby repealed.

(h) CONFORMING AMENDMENTS.—

(1) Such Act is amended by inserting after section 2 the following new heading:

''TITLE I—GENERAL PROGRAM REQUIREMENTS''.

(2) Section 4 of such Act is amended by striking ''United States Employment Service'' and inserting ''Secretary of Labor''.

(3) Section 7(b)(2) of such Act is amended by striking ''private industry council'' and inserting ''local workforce development board''.

(4) Section 7(d) of such Act is amended—

(A) by striking ''United States Employment Service'' and inserting ''Secretary of Labor''; and

(B) by striking ''Job Training Partnership Act'' and inserting ''Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act''.

(5) Section 12 of such Act is amended by striking ''The Director, with the approval of the Secretary of Labor,'' and inserting ''The Secretary of Labor''.

SEC. 132. LABOR MARKET INFORMATION.

The Act of June 6, 1933 (commonly known as the ''Wagner-Peyser Act''; 29 U.S.C. 49), as amended by section 131, is further amended by adding at the end the following new title:

''TITLE II—LABOR MARKET INFORMATION

''SEC. 21. PURPOSE.

''The purpose of this title is to ensure a comprehensive and coordinated system of labor market information which will provide locally based, accurate, up-to-date, easily accessible, and user friendly labor market information through a cooperative Federal, State, and local governance structure which includes partnerships with the private sector at all levels.

''SEC. 22. SYSTEM CONTENT.

''(a) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this title, shall oversee the development, maintenance, and continuous improvement of a nationwide system of labor market information using statistically valid data, which include—

''(1) statistical data from survey and projection programs and data from administrative reporting systems, which, taken together, enumerate, estimate, and project the supply and demand for labor at Federal, State, and local levels in a timely manner, including data on—

''(A) the demographic characteristics, as defined in section 5 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, socioeconomic characteristics, and current employment status of the population, including self-employed, part-time, and seasonal workers, and individuals with severe disabilities, as such data are available from the Bureau of Census and other sources;

''(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

''(C) the educational attainment, training, skills, skill levels, and occupations of the population aggregates, as such data area are available from the Bureau of Census and other sources;

''(D) information (such as unemployment insurance wage data records) maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment; and

''(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

''(2) State and local employment and consumer information on—

''(A) job openings, locations, hiring requirements, and application procedures, as well as profiles of employers in the local labor market describing the nature of work performed, employment requirements, wages, benefits, and hiring patterns as such information is volunteered by employers;

''(B) aggregate data on job seekers, including their education and training, skills, skill levels, employment experience, and employment goals; and

''(C) education courses, training programs, job placement programs, and vocational rehabilitation programs (where appropriate), including—

''(i) program performance information as required by this Act, such as summary data on program completion, acquisition of industry-recognized skill standards, job placement, earnings, and the level of satisfaction of the participants and their employers; and

''(ii) descriptive information on programs, such as eligibility requirements, costs, financial support, or other supportive services, and other appropriate information which may be available with these courses and programs;

''(3) technical standards for data and information that will—

''(A) as a minimum guarantor of data usefulness and quality, ensure compatibility and additivity of data and information to enable comparisons among localities and States;

''(B) support standardization and aggregation of data and information from the administrative reporting systems of employment-related programs; and

''(C) include—

''(i) classification and coding systems for industries, occupations, skills, programs, and courses;

''(ii) nationally standardized definitions of terms;

''(iii) a common system for designating geographic areas;

''(iv) quality control mechanisms for data collection and analysis; and

''(v) common schedules for data collection and dissemination;

''(4) analysis of data and information for uses including—

''(A) Federal, State, and local economic policymaking;

''(B) the implementation of Federal policies, including the allocation of Federal funds to States and localities and the facilitation of job search and hiring in local labor markets;

''(C) Federal, State, and local program planning and evaluation; and

''(D) research on labor market dynamics;

''(5) dissemination mechanisms for data and analysis, including mechanisms which may be standardized among the States and technical standards in the design of automated databases, and the design of user interfaces and communications protocols;

''(6) programs of technical assistance for States and localities in the development, maintenance, and utilization of data, analysis, and dissemination mechanisms, including assistance in adopting and utilizing automated systems and improving the access, through electronic and other means, of youth, adults, and employers to labor market information for localities, States, and the Nation;

''(7) programs of research and demonstration, which may be carried out by States and other public or private entities, on ways to improve the products and processes authorized in this title; and

''(8) objective performance measures, which will allow for the continuous monitoring of the progress of the labor market information system at national, State, and local levels.

(b) INFORMATION TO BE CONFIDENTIAL.—

(1) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may:

(A) use the information furnished under the provisions of this title for any purpose other than the statistical purposes for which it is supplied;

(B) make any publication whereby the data furnished by any particular establishment or individual under this title can be individually identified; or

(C) permit anyone other than the sworn officers and employees of any Federal department or agency to examine the individual reports.

(2) IMMUNITY FROM LEGAL PROCESS.—Any information which is collected and retained under this title shall be immune from the legal process and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''SEC. 23. FEDERAL RESPONSIBILITIES.

''(a) IN GENERAL.—The Nation's labor market information system shall be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government, States, and local entities.

''(b) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information, shall carry out the following duties:

''(1) Ensure that all statistical and administrative data collection activities within the Department of Labor, including the Employment and Training Administration, Veterans' Employment and Training Service, Employment Standards Administration, and the Occupational Health and Safety Administration, are consistent with those of the Bureau of Labor Statistics.

''(2) Assign responsibilities, as appropriate, to agencies such as the Employment and Training Administration to work with the Bureau of Labor Statistics in the collection, analysis and, particularly, in the dissemination of labor market information, and in the provision of training and technical assistance to users of information, including the States, employers, youth, and adults.

''(3) In cooperation with other Federal agencies, including the Department of Commerce, Department of Defense, Department of the Treasury, Department of Education, Department of Health and Human Services, Department of Agriculture, Department of Veterans' Affairs, and the Office of Management and Budget, establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities, in order to ensure a comprehensive labor market information system.

''(4) Actively seek the participation of other Federal agencies, particularly the National Center for Education Statistics and the Division of Adult and Vocational Education, and the Rehabilitation Services Administration of the Department of Education, the Veterans' Employment and Training Service of the Department of Labor and the Department of Veterans' Affairs with respect to vocational rehabilitation programs in the design and provision of standardized information to the States to support section 22(2), and in the dissemination of labor market information.

''(5) Establish confidentiality standards for the labor market information system at Federal, State, and local levels, including such provisions as may be necessary, to be taken in coordination with the States, to ensure that privacy and confidentiality protections are guaranteed with respect to individuals and firm data.

''(c) ADDITIONAL DUTIES.—The Secretary, in collaboration with the Bureau of Labor Statistics, with the assistance of other agencies of the Department where appropriate, shall—

''(1) establish and maintain, with the cooperation of the States, elements of the system described in sections 22(a)(1) and 22(a)(3);

''(2) develop and promulgate standards, definitions, formats, collection methodologies, and other necessary system elements for the use of the States in their assembling and presentation of the employment information specified in section 22(a)(2);

''(3) eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority;

''(4) recommend any needed improvements in administrative reporting systems to support the development of labor market information from their data; and

''(5) ensure that—

''(A) data are sufficiently timely relevant to employers and other users, and locally detailed for uses including those specified in section 22(a)(4);

''(B) administrative records are standardized to facilitate the aggregation of data from local to State and national levels and to support the creation of new statistical series from program records; and

''(C) paperwork and reporting requirements on employers and individuals are reduced.

''SEC. 24. ANNUAL PLAN.

''(a) IN GENERAL.—The Secretary of Labor, in collaboration with the Bureau of Labor Statistics, and with assistance of other appropriate Federal agencies, shall prepare an annual plan to be the operational mechanism for achieving a cooperative Federal/State governance structure for labor market information and provide the written justification for the Department of Labor's budget request to Congress by describing the activities and priorities of the Bureau of Labor Statistics, other offices within the Department of Labor, and other Federal agencies with regard to data collection, analysis, and dissemination of labor market information for fiscal years succeeding the fiscal year in which the plan is developed and shall include—

''(1) the results of a periodic review of users' needs and priorities, including the identification of new employment issues and the attendant emergence of new needs, on the part of Congress, the States, employers, youth, and adults, for data, analysis, and dissemination;

''(2) an evaluation, including the results of objective measures, of the performance of the labor market information system in meeting these needs and the steps to be taken to overcome deficiencies;

''(3) a summary of ongoing data programs and activities under section 22 and a description of the development of new data programs, analytical techniques, definitions and standards, dissemination mechanisms, training and technical assistance, governance mechanisms, and funding processes to meet new needs; and

''(4) the results of an annual review of the costs to the States of meeting contract requirements for data production under this title, including a description of how the Secretary's requested budget will cover these costs.

''(b) COOPERATION WITH THE STATES.—The Secretary and the Bureau of Labor Statistics, in cooperation with the States, shall develop the plan by—

''(1) establishing procedures and mechanisms for holding formal and periodic consultations on products and administration of the system, at least once each quarter, with representatives of employers as well as with representatives of the States from each of the 10 Federal regions of the Department of Labor, elected by and from among the State directors of labor market information, according to a process set forth by the Secretary; and

''(2) incorporating in the annual plan, for its submission to Congress, the results of these consultations, including any supplementary or dissenting views from representatives of the States.

''(c) REPRESENTATIVES OF STATES DEEMED TO BE FEDERAL EMPLOYEES.—For purposes of the development of the annual plan and to meet the provisions of Office of Management and Budget Circular A–11, the representatives of the States, elected in accordance with subsection (b)(1), shall be considered to be employees of the Department of Labor.

''SEC. 25. GOVERNOR'S RESPONSIBILITIES.

''(a) DESIGNATION OF STATE AGENCY.—The Governor of each State shall designate a single State agency to be the agency responsible for the management and oversight of a statewide comprehensive labor market information system and for the State's participation in the cooperative Federal/State governance structure for the nationwide labor market information system.

''(b) DUTIES.—In order to receive Federal financial assistance under this Act, the State agency shall—

''(1) develop, maintain, and continuously improve a comprehensive labor market information system, which shall—

''(A) include all the elements specified in section 22; and

''(B) be responsive to the needs of the State and its localities for planning and evaluative data, including employment and economic analyses and projections, as required by this Act, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Social Security Act, and other provisions of law which require the use of labor market information;

''(2) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination;

''(3) conduct such other data collection, analysis, and dissemination activities as will ensure comprehensive State and local labor market information;

''(4) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data; and

''(5) participate in the development of the national annual plan.''.

Subtitle C—General Provision

SEC. 141. WORKER RIGHTS.

The following requirements shall apply to programs under titles II and III of this Act:

(1) PROHIBITION ON DISPLACEMENT.—A participant in a program under titles II or III shall not displace any currently employed worker (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits).

(2) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A program under title II or III shall not impair existing contracts for services or collective bargaining agreements, and no such program that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the

written concurrence of the labor organization and employer concerned.

(3) PROHIBITION ON REPLACEMENT.—A participant in a program under title II or III shall not be employed—

(A) when any other individual is on temporary layoff, with the clear possibility of recall, from the same or any substantially equivalent job with the participating employer; or

(B) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the student.

(4) WORKPLACES.—A participant in a program under title II or III shall be provided with adequate and safe equipment and safe and healthful workplaces in conformity with all health and safety requirements of Federal, State, and local law.

(5) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, ethnicity, national origin, gender, age, or disability, or to modify or affect any right to enforcement of this Act that may exist under other Federal laws, except as expressly provided by this Act.

SEC. 142. TRANSFERABILITY.

The Governor, through the collaborative process, has the authority to transfer not more than 10 percent of the total allotment to a State under title II or title III of this Act, between such titles. Funds transferred under this authority must be distributed to local providers in accordance with the provisions of title II and III of this Act.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

SEC. 201. PURPOSES.

It is the purpose of this title to provide States and local communities maximum flexibility in designing youth development and career preparation programs that—

(1) help youth attain the academic skills and occupational skills needed to be successful in a global economy and for lifelong learning;

(2) best suit the needs of in-school and at-risk youth in their communities;

(3) promote strong connections between in-school and at-risk programs, to ensure that youth are prepared for further education opportunities and good jobs, and promote youth development and career preparation programs that provide opportunities for youth to receive postsecondary education and occupational training;

(4) promote the formation of education and business partnerships that are dedicated to linking the worlds of school and work; and

(5) promote high academic and occupational standards and quality vocational-technical education, including improved secondary and postsecondary programs, by focusing resources on program improvement initiatives that help prepare youth for further education, training, and high-wage jobs in high-performance workplaces.

SEC. 202. DEFINITIONS.

For purposes of this title:

(1) The term ''administration'' means activities of a State necessary for the proper and efficient performance of its duties under this title, including supervision, but does not include curriculum development activities, personnel development, or research activities.

(2) The term ''all aspects of the industry'' means strong experience in, and understanding of, all aspects of the industry that youth are preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor issues, and health and safety.

(3) The term ''articulation agreement'' means a commitment to a program designed to provide students with a nonduplicative sequence of progressive coursework in secondary and postsecondary education.

(4) The term ''cooperative education'' means a method of instruction of education for youth who, through written cooperative arrangements between the school and employers, receive instruction, including required academic courses and related instruction by alternation of study in school with a job in any occupational field. Such alternation shall be planned and supervised by the school and employers so that each contributes to the youth's education and employability. Work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

(5) The term ''corrections vocational education'' means programs administered by the State to assist juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(6) The term ''curricula'' means instructional and related or supportive material, including materials using advanced learning technology, in any occupational field which is designed to strengthen the academic foundation and prepare youth for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field, and appropriate counseling and guidance material.

(7) Except as otherwise provided, the term ''eligible institution'' means a local educational agency, an area vocational education school, an intermediate educational agency, an institution of higher education (as such term is defined in section 1201(a) of the Higher Education Act of 1965), a State corrections educational agency, or consortia of such entities.

(8) The term ''partnership'' means a local entity that is responsible for local youth development and career preparation programs and may consist of parents, employers, representatives of local educational agencies and local postsecondary educational institutions (including representatives of area vocational education schools, where applicable), local educators (such as teachers, counselors, or administrators), representative employee organizations, students, and may include other entities.

(9) The term ''Secretary'' means the Secretary of Education.

(10) The term ''sequential course of study'' means an integrated series of courses which are directly related to the educational and occupational skill preparation of youth for jobs, or preparation for postsecondary education.

(11) The term ''single parent'' means an individual who—

(A) is unmarried or legally separated from a spouse; and

(B)(i) has a minor child or children for whom the parent has either custody or joint custody; or

(ii) is pregnant.

(12) The term ''special populations'' includes individuals with disabilities, economically disadvantaged individuals, individuals of limited English proficiency, and individuals who are eligible for nontraditional training and employment.

(13) The term ''tech-prep education program'' means a program of study which—

(A) combines at least 2 years of secondary and 2 years of postsecondary education in a nonduplicative sequential course of study;

(B) integrates academic and vocational instruction;

(C) provides technical preparation in at least 1 field of engineering technology, applied science, mechanical, industrial, or practical arts or trade, or agriculture, health occupations, or business;

(D) builds student competence in mathematics, science, communications, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

(E) leads to an associate degree or certificate in a specific career field;

(F) leads to placement in appropriate employment or further education; and

(G) enables a student to fulfill a career relating to labor market needs.

(14) The term ''vocational education'' means organized educational programs offering a sequence of courses which are directly related to the preparation of youth in paid or unpaid employment in current or emerging occupations, including nonbaccalaureate certificate and degree programs and baccalaureate vocational degree programs. Such programs include competency-based applied learning which contributes to a youth's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. Such term also includes applied technology education.

(15) The term ''vocational student organizations'' means those organizations for individuals enrolled in vocational education programs which engage in activities as an integral part of the instructional program. Such organizations may have State and national units which aggregate the work and purposes of instruction in vocational education at the local level.

Subtitle A—State Funding

SEC. 211. NATIONAL AND STATE FUNDING.

(a) NATIONAL PROGRAMS.—In each fiscal year, of the amounts made available under section 4, the Secretary is authorized to reserve 20 percent or $25,000,000, whichever is less, to carry out the provisions of subtitle D.

(b) STATE ALLOTMENT.—

(1) IN GENERAL.—Of the funds remaining after the reservation under subsection (a), the Secretary shall allot to each State for each fiscal year an amount based on that State's allotment percentage.

(2) ALLOTMENT PERCENTAGE.—(A) Except as provided in subparagraph (B), the allotment percentage of a State for a fiscal year shall be the same percentage of funds allotted to the State under this section in the preceding fiscal year.

(B) The allotment percentage of a State for fiscal year 1996 shall be the percentage of funds allotted to the State in fiscal year 1995 under—

(i) section 101 or 101A of the Carl D. Perkins Vocational and Applied Technology Education Act as such Act was in effect on the day before the date of the enactment of this Act; and

(ii) the funding allotted in fiscal year 1995 under section 252 and 262 of the Job Training Partnership Act as such Act was in effect on the day before the date of the enactment of this Act.

(3) STATE MINIMUM.—Notwithstanding any other provision of law and subject to paragraph (1), any fiscal year for which the amounts appropriated for programs authorized by this title exceed the amounts available under subparagraph (B) for fiscal year 1995, a State shall receive not less than one-quarter of one percent of the amount available for each such program for that fiscal

year under this subsection. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

(4) DEFINITION.—For the purposes of this subsection the term ''State'' means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(c) FUNDING FOR STATE PROGRAMS.—Of the funds allotted to a State under subsection (b) for each fiscal year, the Governor, through the collaborative process, shall—

(1) make available not less than 90 percent to local providers;

(2) make available not more than 8 percent for State programs described in section 222; and

(3) make available not more than 2 percent for administrative purposes at the State level.

(d) Proviso.—None of the funds made available under this title shall be used to compel any youth to pursue a specific career. Youth participating in programs under this title shall be eligible to change their course of study and training.

SEC. 212. WITHIN STATE ALLOCATION.

(a) IN GENERAL.—

(1) ALLOCATION OF FUNDS.—From the amounts made available pursuant to section 211(c)(1), the Governor, through the collaborative process, shall—

(A) allocate to eligible institutions an amount equal to not less than 40 percent of such amount for in-school youth programs described in section 241;

(B) allocate to local workforce development boards an amount equal to not less than 40 percent of such amount for at-risk youth programs described in section 245.

(2) DISCRETIONARY FUNDS.—From the amounts made available pursuant to section 211(c)(1), the Governor, through the collaborative process, is authorized to provide 10 percent of such amounts for discretionary purposes, as determined by the Governor, to eligible institutions or local workforce development boards for in-school and at-risk youth.

(3) REMAINDER OF FUNDS.—From the remainder of amounts made available pursuant to section 211(c)(1) and distributed pursuant to paragraphs (1) and (2) of this subsection, the Governor, through the collaborative process, shall allocate the remainder of any such amounts to carry out the purposes of subparagraphs (A) or (B) of paragraph (1).

(b) WITHIN STATE FORMULA.—

(1) ESTABLISHMENT.—The Governor, through the collaborative process, and after consultation with local chief elected officials in the local workforce development area and, where appropriate, local educators in such area, shall develop a formula for the allocation of funds in accordance with paragraph (1) of subsection (a). Such formula shall take into account—

(A) poverty rates within each local community, as determined by the State;

(B) the proportion of the State's youth population residing within each local community; and

(C) such other factors as considered appropriate.

(2) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that funds are distributed equitably throughout the State, and that the factors described in paragraph (1) do not receive disproportionate weighting.

(c) MINIMUM GRANT AMOUNTS.—

(1) LOCAL EDUCATIONAL AGENCIES.—A local educational agency or consortium of such agencies that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $15,000.

(2) POSTSECONDARY INSTITUTIONS.—A postsecondary institution or consortium of such institutions that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $50,000.

(3) LOCAL DEVELOPMENT BOARD.—A local development board that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $15,000.

(4) SECONDARY-POSTSECONDARY CONSORTIA.—One or more local educational agencies and one or more eligible institutions may enter into a consortium agreement. A consortium formed pursuant to this paragraph that receives a subgrant from a State under this subtitle shall receive not less than $50,000 in any fiscal year.

(d) FUNDS TO CONSORTIUM.—Funds allocated to a consortium formed to meet the requirements of subsection (c) shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(e) WAIVER.—The State may waive the application of subsection (c) in any case in which a grant recipient—

(1) is located in a rural, sparsely-populated area; and

(2) demonstrates an inability to enter into a consortium for purposes of providing services under this title.

Subtitle B—State Organizational, Planning, and Reporting Responsibilities

SEC. 221. STATE PLAN.

In addition to the requirements described in title I, a State that desires to receive funds for any fiscal year under this title shall, as part of the State Workforce Development and Literacy Plan under title I, submit to the Secretary of Education information that includes—

(1) a description of the State's plan to develop the academic and occupational skills of youth and provide the attainment of challenging vocational-technical education standards, including industry-approved skill standards and workplace competencies;

(2) a description of how the State will improve comprehensive career guidance and counseling which may include linkages to career exploration and guidance counseling outside of the school system and shall describe how the State will effectively demonstrate the system of career preparation for youth, which includes elements such as professional development, and secondary-postsecondary collaborations;

(3) a description of the strategy of the State for integrating academic, vocational, and work-based learning, including a description of how the State will promote collaboration between secondary and postsecondary occupational and academic programs and institutions and incorporating learning in all aspects of the industry; and

(4) a description of how the State will promote the active involvement of parents and business (including small- and medium-sized businesses) in the planning, development, and implementation of youth development and career preparation programs authorized under this title.

SEC. 222. STATE PROGRAMS AND STATE ACTIVITIES.

(a) GENERAL AUTHORITY.—From amounts made available to a State under section 211(c)(2), each State shall conduct State programs and activities.

(b) USES OF FUNDS.—The programs and activities described in subsection (a) may include—

(1) an assessment of programs conducted with assistance under this title, including the development of—

(A) performance indicators and measures for such programs; and

(B) program improvement and accountability with respect to such programs;

(2) the support for tech-prep education;

(3) support for workforce preparation programs for single parents, displaced homemakers, and single pregnant women;

(4) support for corrections vocational education;

(5) professional development activities for vocational teachers, academic teachers, school administrators, counselors, workplace mentors, and local providers regarding integration of vocational, academic, and work-based curricula, including—

(A) inservice and preservice training of teachers and faculty in state-of-the-art programs and techniques and nontraditional training and employment; and

(B) support of public teacher-education programs to ensure vocational teachers stay current with the needs, expectations, and methods of industry to meet employer standards;

(6) development, dissemination, and field testing of curricula, especially—

(A) curricula that integrate vocational, academic, and work-based methodologies;

(B) curricula that provide a coherent sequence of courses through which academic and occupational skills may be measured; and

(C) curricula for work-based learning;

(7) leadership and instructional programs in technology education;

(8) support for cooperative education;

(9) support for family and consumer science programs;

(10) creative use of technologies, including professional development in the use of such technologies for instructional purposes and to increase counselor's and youth's knowledge of, and use of, additional information resources;

(11) support for vocational student organizations; and

(12) improving comprehensive career guidance and counseling.

SEC. 223. INCENTIVE AWARDS.

The State, may, from the amount made available under section 211(c)(2) for any fiscal year make performance awards to 1 or more eligible institutions or local providers that have—

(1) exceeded in the performance goals described in section 110(f)(3);

(2) implemented exemplary youth development and career preparation programs at the local level in accordance with the purposes described in section 201; or

(3) provided exemplary education services and activities for at-risk youth.

Subtitle C—Subgrants for In-School and At-Risk Youth

SEC. 231. PARTNERSHIP AGREEMENTS.

(a) PARTNERSHIP.—A local workforce development board and eligible institutions that desire to receive a subgrant from a State under this subtitle in any fiscal year shall form a partnership for the purposes of collaborative planning, coordination of in-school and at-risk programs, and effective public participation.

(b) PLAN.—

(1) IN GENERAL.—The partnership referred to in subsection (a) shall, in collaboration, develop and submit for approval to the Governor through the State collaborative process a comprehensive youth development and career preparation plan for in-school and at-

risk youth. Such plan shall describe how the youth development and career preparation system meets the requirements of sections 241 and 245 and shall address comments received through the collaborative process.

(2) COLLABORATIVE PROCESS.—The partnership shall assure the involvement of parents, teachers, and the community in the collaborative planning process which involves design of the indicators, strategies, articulation, and cooperative agreements, assessments, and evaluation of program activities.

(3) DISPUTES.—In the event a partnership cannot come to agreement on the content of local plans, the Governor, through the collaborative process, is authorized to develop procedures for the resolution of issues in dispute.

SEC. 232. DISTRIBUTION OF FUNDS.

(a) IN-SCHOOL PROGRAMS.—Based upon an application submitted by the partnership to the Governor through the State collaborative process, a State shall distribute funds made available in a fiscal year as provided in section 212(a)(1)(A) to eligible institutions to carry out in-school youth programs described in section 241.

(b) AT-RISK YOUTH PROGRAMS.—A State shall distribute funds made available in any fiscal year as provided in section 212(a)(1)(B) to local workforce development boards to carry out at-risk youth programs described in section 245.

CHAPTER 1—IN-SCHOOL YOUTH

SEC. 241. USES OF FUNDS FOR IN-SCHOOL YOUTH.

(a) GENERAL AUTHORITY.—Each eligible institution that receives a subgrant under this chapter shall use funds provided under such grant to improve youth development and career preparation programs.

(b) REQUIREMENTS FOR USES OF FUNDS.—Funds provided by a State pursuant to section 212(a)(1)(A) shall be used to provide in-school youth development and career preparation programs that—

(1) are of such size, scope, and quality as to be effective;

(2) integrate academic, vocational, and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so that youth achieve both academic and occupational competencies and have strong experience in, and understanding of, all aspects of the industry;

(3) involve employers in the design and implementation of programs;

(4) establish effective linkages with at-risk youth programs, secondary and postsecondary education;

(5) provide work-based learning experiences with adult mentoring where appropriate; and

(6) provide comprehensive career guidance and counseling, including exploration in the practical arts or trade.

(c) ADDITIONAL USES OF FUNDS.—In carrying out the provisions of subsection (b), funds may be used by an eligible institution for in-school youth activities such as—

(1) purchasing, leasing, or upgrading of equipment, including instructional aids and material;

(2) inservice training of vocational instructors, academic instructors, employers, and workplace mentors, to integrate academic and vocational education, and provide high-quality school-based and work-based learning experiences;

(3) tech-prep education programs;

(4) supplementary services designed to meet the needs of special populations;

(5) adaptation of equipment;

(6) apprenticeship programs;

(7) comprehensive mentoring programs in institutions of higher education offering comprehensive programs in teacher preparation which seek to fully use the skills and work experiences of individuals currently or formerly employed in business and industry, who are interested in becoming classroom instructors, and to meet the need of vocational educators who wish to upgrade their teaching competencies;

(8) local education and business partnerships for developing and implementing school-based youth development and career preparation systems;

(9) support for vocational student organizations;

(10) establishing effective activities and procedures to enable program participants and their parents to participate directly in decisions that influence the character of programs, including providing information and assistance needed for informed and effective participation; and

(11) support for programs which prepare youth with skills for personal and family life management, work, and leadership in the community and the Nation.

CHAPTER 2—AT-RISK YOUTH

SEC. 245. USES OF FUNDS FOR AT-RISK YOUTH.

(a) GENERAL AUTHORITY.—Each local workforce development board that receives a subgrant under this chapter shall use funds provided under such grant to improve youth development and career preparation programs.

(b) REQUIREMENTS FOR USES OF FUNDS.—Funds provided by a State pursuant to section 212(1)(B) shall be used to provide youth development and career preparation programs for at-risk youth that—

(1) are of such size, scope, and quality as to be effective;

(2) integrate academic, vocational, and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so that in-school and at-risk youth achieve both academic and occupational competencies;

(3) involve employers in the design and implementation of programs;

(4) establish effective linkages with in-school youth programs, and secondary and postsecondary education;

(5) provide work-based learning experiences, including experiences in the practical arts or trade, if applicable;

(6) provide adult mentoring as a core component of the program;

(7) provide an objective assessment of the academic level, skill level, and service needs of each participant; and

(8) provide comprehensive career guidance and counseling.

(c) ADDITIONAL USES OF FUNDS.—In carrying out the provisions of subsection (b), providers of at-risk youth programs, as selected by the local workforce development board, may provide activities such as—

(1) tutoring, study skills training and instruction leading to completion of high school;

(2) alternative high school services;

(3) training or education that is combined with community service, and service learning opportunities;

(4) paid and unpaid work experience, including limited internships, entry-employment experience programs, and summer employment opportunities, that are integrated with year-round, school-based, or alternative school-based programs;

(5) dropout prevention strategies, strategies to encourage at-risk youth to reenter high school or alternative high school programs, and programs that encourage pregnant and parenting youth to stay in school;

(6) preemployment and work maturity skills training;

(7) peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours; and

(8) training-related supportive services.

(d) LIMITATIONS ON USE OF FUNDS.—Not more than 10 percent of the funds provided under this chapter to a local workforce development board may be used for administrative purposes.

SEC. 246. AT-RISK YOUTH PROVIDERS.

(a) ROLE OF LOCAL WORKFORCE DEVELOPMENT BOARD.—A local workforce development board that receives funds under this chapter shall not operate programs, but shall contract with eligible providers of demonstrated effectiveness, or with eligible providers utilizing service methodologies with demonstrated effectiveness in serving the youth development and career preparation needs of at-risk youth, for the purpose of providing services under this chapter.

(b) ELIGIBLE PROVIDERS.—For purposes of this chapter, eligible providers may include—

(1) an ''eligible institution'' as defined under section 202(7);

(2) a unit of local government;

(3) a private, nonprofit organization (including community-based organizations);

(4) a private, for profit entity; or

(5) other organizations or entities of demonstrated effectiveness and approved by the local workforce development board.

Subtitle D—National Programs

SEC. 251. RESEARCH ACTIVITIES.

(a) GENERAL AUTHORITY.—

(1) IN GENERAL.—In order to carry out the purpose of this title, the Secretary may, directly or through grants, contracts, or cooperative agreements, carry out research, development, dissemination, replication of model programs, demonstration programs, evaluation, capacity-building, and technical assistance activities with regard to the services and activities carried out under this title.

(2) INFORMATION SYSTEMS.—Activities carried out under this section may include support for occupational and career information systems.

(b) DISSEMINATION.—The Secretary shall establish a system for disseminating information resulting from research and development activities carried out under this title.

SEC. 252. ASSESSMENT AND DATA COLLECTION OF YOUTH DEVELOPMENT AND CAREER PREPARATION PROGRAMS.

(a) IN GENERAL.—The Secretary, through the Office of Educational Research and Improvement, shall conduct a biennial assessment of services and activities assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) CONTENTS.—The assessment required under subsection (a) shall examine the extent to which services and activities assisted under this title have achieved their intended purposes and results, including the extent to which—

(1) State and local services and activities have developed, implemented, or improved youth development and career preparation systems established under this title;

(2) services and activities assisted under this title succeed in preparing youth, including youth who are members of special populations, for postsecondary education, further learning, or entry into high-skill, high-wage careers;

(3) youth who participate in services and activities supported under this title succeed in meeting challenging State academic and industry-based skill standards; and

(4) the system improvement, participation, local and State assessment, and accountability provisions of this title, including the performance goals and indicators established under section 110(f)(3), are effective.

SEC. 253. NATIONAL CENTER OR CENTERS FOR RESEARCH.

(a) GENERAL AUTHORITY.—

(1) NATIONAL CENTER.—The Secretary may, through a grant or contract, establish one or more national centers for conducting applied research, development, dissemination, and technical assistance activities which would focus on improving the development and career preparation of youth. The Secretary shall consult with States prior to establishing one or more such centers.

(2) ELIGIBILITY.—Entities eligible to receive funds under this section are institutions of higher education, other public or private nonprofit organizations or agencies, and consortia of such institutions, organizations, or agencies.

(3) PREVIOUS CENTER.—The national center in existence on the day before the date of the enactment of the this Act shall continue to receive assistance under this section in accordance with the terms of its current award.

(b) ACTIVITIES.—

(1) IN GENERAL.—The applied research, development, dissemination, and technical assistance activities carried out by the national center or centers shall include—

(A) activities that assist recipients of funds under this title to meet the requirements of section 110(f)(3);

(B) research and development of activities that combine academic, vocational-technical education, and work-based learning;

(C) developing new models for remediation of basic academic skills which incorporate appropriate instructional methods;

(D) identifying ways to establish effective linkages among educational and job training activities at the State and local levels;

(E) new models for comprehensive career guidance and counseling;

(F) studies providing longitudinal information or formative evaluation on programs funded under this title, including an analysis of the effectiveness of youth development and career preparation programs in serving at-risk youth; and

(G) such other activities as the Secretary determines to be appropriate to achieve the purposes of this Act.

(2) DUTIES.—The center or centers shall—

(A) provide assistance to States and local recipients in developing and using systems of performance measures and indicators for improvement of youth development and career preparation programs and services; and

(B) provide technical assistance and outreach.

(3) SUMMARY.—The center or centers conducting the activities described in paragraph (1) shall annually prepare a summary of key research findings of such center or centers and shall submit copies of the summary to the Secretaries of Education and Labor. The Secretary shall submit that summary to the Committee on Labor and Human Resources of the Senate, and the Committee on Economic and Educational Opportunities of the House of Representatives.

(c) CLEARINGHOUSE.—The center or centers shall maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of youth development and career preparation systems and programs funded under this title.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

SEC. 301. PURPOSE.

The purpose of this title is to establish an efficient, high-quality, and equitable system of employment, job training, and related assistance designed to facilitate the transition of adults into productive, high skills, private sector employment.

Subtitle A—Adult Employment and Training Consolidation Grant

SEC. 311. AUTHORIZATION.

(a) IN GENERAL.—In the case of each State that in accordance with the requirements of section 102 submits to the Secretary of Labor (hereinafter in this title referred to as the ''Secretary'') a State workforce development and literacy plan under section 104, the Secretary shall provide a grant to the State for the purpose of providing employment, job training, and related assistance for adults in the State.

(b) AMOUNT.—The grant shall consist of the allotment determined for the State under section 312.

SEC. 312. ALLOTMENT AMONG STATES.

(a) IN GENERAL.—Of the amount appropriated pursuant to section 4(a)(2) to carry out this title for a fiscal year, the Secretary shall—

(1) allot 85 percent of such amounts in accordance with subsection (b); and

(2) reserve 15 percent for use under subtitle B.

(b) ALLOTMENT AMONG STATES.—

(1) RESERVATION FOR THE TERRITORIES.—Of the amount allotted under subsection (a)(1), the Secretary shall allot not more than one quarter of one percent among the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Virgin Islands.

(2) STATES.—After determining the amount to be allotted under paragraph (1), the Secretary shall allot the remaining amount to the remaining States so that each State receives an amount that bears the same proportion to such remaining amount as—

(A) the amount allotted to each such State from allotments under sections 202 and 302 of the Job Training Partnership Act (29 U.S.C. 1602 and 1652) (as in effect before the date of the enactment of this Act) for fiscal year 1995; bears to

(B) the aggregate of the amounts allotted to all such States from allotments under such sections for such fiscal year.

(c) MINIMUM ALLOTMENT.—No State shall receive less than one-quarter of one percent of the amount available under this title for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

SEC. 313. ALLOCATION WITHIN STATES.

(a) RESERVATIONS FOR STATE ACTIVITIES.—

(1) IN GENERAL.—The Governor of the State shall reserve not more than 20 percent of the amount allotted to the State under section 312(b) for a fiscal year for statewide activities for employment, job training, and related assistance for adults.

(2) MANDATORY ACTIVITIES.—Such activities shall include—

(A) rapid response activities; and

(B) additional assistance to areas that experience disasters, mass layoffs or plant closings, or other events which precipitate substantial increases in the number of unemployed workers, to be expended in accordance with the local plan of the relevant workforce development area.

(3) DISCRETIONARY ACTIVITIES.—

(A) IN GENERAL.—Such activities may include—

(i) subject to subparagraph (B), administration by the State of programs under this subtitle;

(ii) capacity building and technical assistance to local workforce development areas, integrated career center systems, and service providers, including the development and training of staff and the development of exemplary program activities;

(iii) incentives for program coordination, performance awards, and research and demonstrations;

(iv) implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading (in accordance with the requirements of section 324);

(v) implementation of experimentation, model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act;

(vi) additional assistance for the development and implementation of the integrated career center system of the State established in accordance with title I; and

(vii) support for a common management information system as described in section 109.

(B) LIMITATION.—Not more than 25 percent of the amount reserved by the Governor under paragraph (1) may be used for administration by the State of programs under this subtitle.

(b) WITHIN STATE ALLOCATION.—

(1) IN GENERAL.—The Governor of the State shall allocate the remainder of the amount allotted to the State under section 312(b) to workforce development areas designated under title I of this Act, in accordance with paragraphs (1) and (2) of such section, for the purpose of providing employment, job training, and related services for adults in accordance with section 315.

(2) WITHIN STATE FORMULA.—

(A) ESTABLISHMENT.—The Governor, through the collaborative process under section 103 of this Act, and after consultation with local chief elected officials in the local workforce development area, shall develop a formula for the allocation of 90 percent of the remainder of funds described in paragraph (1), to workforce development areas, taking into account—

(i) poverty rates within each local workforce development area, as determined by the State;

(ii) unemployment rates within each local workforce development area;

(iii) the proportion of the State's adult population residing within each local workforce development area; and

(iv) such other factors as considered appropriate.

(B) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that funds are distributed equitably throughout the State, and that the factors described in subparagraph (A) do not receive disproportionate weighting.

(3) WITHIN STATE DISCRETIONARY ALLOCATION.—In addition, the Governor is authorized to allocate 10 percent of the remainder of funds described in paragraph (1) to workforce development areas designated under title I of this Act. Amounts may be allocated to such areas as determined by the Governor.

SEC. 314. ADDITIONAL STATE PLAN REQUIREMENTS.

The State shall, as part of the State workforce development and literacy plan under title I of this Act, submit to the Secretary the following additional information:

(1) A description of how the State will serve the employment and training needs of dislocated workers, economically disadvantaged individuals, older workers, individuals with disabilities, displaced homemakers, veterans, and individuals with multiple barriers to employment (as determined by the State), including individuals who are basic skills deficient.

(2) A description of how the State will provide rapid response assistance to workers experiencing dislocation as a result of mass layoffs and plant closings, either through the

direct provision of services or through the transfer of funds to local workforce development areas for the provision of such services.

SEC. 315. USE OF AMOUNTS.

(a) CORE SERVICES.—Amounts allocated under section 313(b) shall be used to provide core services to adults through integrated career center systems in accordance with title I of this Act.

(b) INTENSIVE SERVICES.—

(1) IN GENERAL.—Amounts allocated under section 313(b) shall be used to provide intensive services to adults—

(A) who are unable to obtain employment through core services under subsection (a); and

(B) who have been determined to be in need of more intensive services in order to gain employment.

(2) DELIVERY OF SERVICES.—Such intensive services shall be provided—

(A) directly through integrated career center systems in accordance with title I of this Act; or

(B) through contracts through such systems with service providers approved by the local workforce development board, which may include private, for-profit providers.

(3) TYPES OF SERVICES.—Such intensive services may include the following:

(A) Comprehensive and specialized assessments of the skill levels and service needs of adults, which may include—

(i) diagnostic testing and other assessment tools; and

(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

(B) Development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and the appropriate combination of services for the adult to achieve the employment goal.

(C) Group counseling.

(D) Individual counseling and career planning.

(E) Case management for adults receiving education and training services under subsection (c) or supportive services under subsection (d).

(F) Follow-up counseling for adults placed in training or employment, for up to 1 year.

(c) EDUCATION AND TRAINING SERVICES.—

(1) IN GENERAL.—Amounts allocated under section 313(b) shall be used to provide education and training services to adults—

(A) who are unable to obtain employment through core services under subsection (a);

(B) who are in need of education and training services in order to gain employment as a result of determinations made through—

(i) preliminary assessments under section 107(f)(1)(B) of this Act; or

(ii) comprehensive and specialized assessments under subsection (b)(3)(A); and

(C) who are unable to obtain other grant assistance for such services, such as through Federal Pell Grants established under title IV of the Higher Education Act of 1965.

(2) DELIVERY OF SERVICES.—Such education and training services shall be provided through education and training providers certified in accordance with title I of this Act.

(3) TYPES OF SERVICES.—Such education and training services may include the following:

(A) Basic skills training, including remedial education, literacy training, and English literacy program instruction.

(B) Occupational skills training, including training for nontraditional employment.

(C) On-the-job training.

(D) Programs that combine workplace training with related instruction.

(E) Training programs operated by the private sector.

(F) Skill upgrading and retraining.

(G) Entrepreneurial training.

(H) Employability training to enhance basic workplace competencies.

(I) Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

(4) ADDITIONAL REQUIREMENTS.—

(A) USE OF CAREER GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii) and clause (iii), education and training services under this section shall be provided through the use of career grants in accordance with this subsection, and shall be distributed to eligible individuals through integrated career centers or affiliated sites as described in section 107, and in accordance with section 108 regarding the identification of eligible education and training providers.

(ii) EXCEPTIONS.—Education and training services authorized under this title may be provided pursuant to a contract for services in lieu of a career grant if—

(I) such services are on-the-job training provided by an employer;

(II) the local workforce development board determines there are an insufficient number of certified providers of education and training services in the workforce development area to accomplish the purposes of a career grant system;

(III) the local workforce development board determines that the certified providers of education and training in the workforce development area are unable to provide effective services to special participant populations; or

(IV) the local workforce development board decides to enter into a direct training contract with a community based organization serving special participant populations.

(iii) TRANSITION.—States may have up to three years from the date of enactment of this Act to fully implement the requirements of clause (i), but nothing shall prohibit states from beginning such implementation at an earlier date.

(B) LINKAGE TO OCCUPATIONS IN DEMAND.—Education and training services under this subsection shall be directly linked to occupations for which there is a demand in the local workforce development area, or in another area to which an adult receiving such services is willing to relocate.

(d) ADDITIONAL SERVICES.—

(1) SUPPORTIVE SERVICES.—Supportive services may be provided for individuals—

(A) who are receiving assistance under any of subsections (a) through (c); and

(B) who are unable to receive such services through other programs providing such services.

(2) NEEDS-RELATED PAYMENTS.—

(A) IN GENERAL.—Amounts allocated under section 313(b) may be used to provide needs-related payments to adults who are unemployed and do not qualify for (or have ceased to qualify for) unemployment compensation for the purpose of enabling such adults to participate in education and training programs under subsection (c).

(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has exhausted unemployment insurance benefits may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in education or training by the end of the 8th week of the worker's initial unemployment compensation benefit period, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will in fact exceed 6 months.

(e) PRIORITY.—Local workforce development boards shall establish a process through which priority is given to dislocated workers and economically disadvantaged individuals, for receipt of services provided under subsections (b) and (c), in the event that funds are limited within the workforce development area.

(f) PROHIBITION ON PRIVATE RIGHT OF ACTION.—Nothing in this section may be construed to establish a right for a participant to bring an action to obtain services under a program established under this section.

(g) LIMITATIONS ON USE OF FUNDS.—Not more than 10 percent of the funds provided under this title to a local workforce development board may be used for administrative purposes.

Subtitle B—Federal Programs

SEC. 321. NATIONAL DISCRETIONARY GRANTS.

(a) GRANTS FOR DISLOCATED WORKERS.—

(1) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary is authorized to award national discretionary grants to address major economic dislocations that result from plant closures, base closures, or mass layoffs.

(2) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary determines is appropriate.

(3) ELIGIBLE ENTITIES.—Grants under this section may be awarded to—

(A) the State;

(B) a local workforce development board administering assistance under this Act;

(C) employers and employer associations;

(D) worker-management transition assistance committees and other employer-employee entities;

(E) representatives of employees;

(F) community development corporations and community-based organizations; and

(G) industry consortia.

(b) INCENTIVE GRANTS.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary may provide awards to States—

(1) to assist in the implementation of exemplary statewide workforce development system designs; and

(2) for the achievement of exceptional performance in the statewide workforce development system.

SEC. 322. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary may provide assistance to the Governor of any State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (referred to in this section as the ''disaster area'').

(b) USE OF FUNDS.—

(1) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds made available under this section—

(A) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects regarding demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations engaged in such projects.

(2) ELIGIBILITY REQUIREMENTS.—An individual shall be eligible to be offered disaster employment under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a consequence of the disaster.

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed

under this part for more than 6 months for work related to recovery from a single natural disaster.

SEC. 323. RESEARCH, DEMONSTRATION, EVALUATION, AND CAPACITY BUILDING.

(a) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary is authorized to establish and carry out research, demonstration, and capacity building activities in accordance with this section.

(b) ACTIVITIES.—The Secretary is authorized to carry out the following activities under this section:

(1) RESEARCH.—The Secretary is authorized to conduct continuing research, which may include studies and other methods and techniques, that will aid in the solution of the employment and training problems of the United States. Such studies may include the extent to which individuals who participate in programs established under this title achieve self-sufficiency as a result of such participation, including the identification by State and locality, to the extent practicable, of indicators measuring such self-sufficiency.

(2) DEMONSTRATIONS.—The Secretary is authorized to conduct pilot and demonstration projects for the purpose of developing and improving methods and techniques for addressing employment and training needs which may include—

(A) projects conducted jointly with the Department of Defense to develop training programs utilizing computer-based and other innovative learning technologies. The Secretary may award grants and enter into contracts with appropriate entities to carry out such projects; and

(B) Projects which promote the use of distance learning, enabling students to take courses through the use of technology such as videos teleconferencing, computers, and the internet.

(3) EVALUATION.—

(A) ACTIVITIES.—

(i) JOB TRAINING ACTIVITIES.—The Secretary shall provide for the continuing evaluation of activities conducted under this Act, including the use of controlled experiments using experimental and control groups chosen by scientific random assignment, and at a minimum, determine whether job training and job placement programs effectively raise the hourly wage rates of individuals receiving training through such programs.

(ii) OTHER PROGRAMS.—The Secretary may conduct evaluations of other federally funded employment-related activities including programs administered under—

(I) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(II) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

(III) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(IV) the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

(B) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to—

(i) the statutory goals;

(ii) the performance standards established by the Secretary; and

(iii) the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

(4) NATIONAL PARTNERSHIP AND SPECIAL TRAINING.—The Secretary may award special grants to eligible entities to carry out activities that are most appropriately administered at the national level. Such activities may include—

(A) partnerships with national organizations with special expertise in developing, organizing, and administering employment and training services at the national, State, and local levels, such as industry and labor associations, public interests groups, community-based organizations representative of groups that encounter special difficulties in the labor market, in education and training; and

(B) activities that—

(i) address industry-wide skill shortages;

(ii) meet training needs that are best addressed on a multistate basis;

(iii) further the goals of increasing the competitiveness of the United States labor force;

(iv) require technical expertise available at the national level to serve the needs of particular client groups that encounter significant barriers to employment and who the Secretary determines require special assistance; and

(v) promote and experiment with model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act.

(5) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall provide, through grants, contracts, or other arrangements, staff training and technical assistance to States, local workforce development boards, career centers, communities, business and labor organizations, service providers, industry consortia, and other entities, to enhance their capacity to develop and deliver effective employment and training services.

(B) ACTIVITIES.—The staff training and technical assistance authorized under subparagraph (A) may include—

(i) development of management information systems;

(ii) development and maintenance of a national capacity building, information and dissemination network; and

(iii) grants for the replication of successful employment and training models and activities.

SEC. 324. WORKFORCE SKILLS AND DEVELOPMENT LOANS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary of Labor may use a portion of such amounts to provide grants to States to provide loans to eligible entities described in paragraph (2) to assist such entities in providing skills upgrading.

(2) ELIGIBLE ENTITIES.—An eligible entity described in this paragraph is—

(A) an employer;

(B) a representative of employees;

(C) a business association;

(D) a trade organization; or

(E) a consortium consisting of—

(i) more than 1 of the entities described in subparagraphs (A) through (D); or

(ii) an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) which continues to meet the eligibility and certification requirements under section 498 of such Act) and 1 or more of the entities described in subparagraphs (A) through (D).

(b) APPLICATION.—The Secretary may provide a grant to a State under subsection (a) only if such State submits to the Secretary an application which contains such information as the Secretary may reasonably require.

(c) USE OF AMOUNTS.—A State shall use amounts received from a grant under subsection (a) to establish a loan guarantee program to assist eligible entities described in paragraph (2) of such subsection to provide skills upgrading. In carrying out such program, the State shall meet the following requirements:

(1) ESTABLISHMENT OF RESERVE FUND FOR LOAN GUARANTEES.—The State shall establish a reserve fund from amounts received from such grant for the purpose of making commitments to guarantee the payment of principal and interest on loans made by financial institutions to such eligible entities to provide skills upgrading.

(2) CRITERIA FOR LOAN GUARANTEES.—The State, in conjunction with appropriate financial institutions, shall establish and publish criteria for providing loan guarantees to eligible entities under the program, including criteria that provides for the following:

(A) A loan guarantee may be issued under the program only if, at the time such guarantee is issued the eligible entity agrees to pay as an insurance premium an amount equal to 1 percent of the principal received by such entity under the loan to the State's reserve fund.

(B)(i) Subject to clause (ii), the eligible entity will use amounts received from the loan to provide skills upgrading for mid- and lower-level employees, which may include—

(I) training in total quality management, statistical process control, production techniques, office automation, materials resource planning; and

(II) training to improve basic skills, including reading, writing, and arithmetic.

(ii) In providing such skills upgrading, the eligible entity shall give priority to employees who—

(I) directly produce or deliver goods or services; or

(II) are in danger of being terminated or laid off as a result of modernization in the workplace, corporate downsizing, foreign or domestic competition, or Federal policies adversely affecting 1 or more industries.

(C) Amounts from a loan shall not be used to pay the wages or other benefits of any employee receiving assistance under the program.

(3) PAYMENT BY STATE TO FINANCIAL INSTITUTIONS IN CASES OF DEFAULT.—

(A) IN GENERAL.—In accordance with criteria developed by the Secretary, the State shall make payments from the State's reserve fund to financial institutions that have provided loans to eligible entities that have defaulted on such loans for the purpose of reimbursing such institutions for the amount of principal and interest remaining unpaid to the institutions by reason of such default.

(B) NO FULL FAITH AND CREDIT OF THE UNITED STATES.—Loans provided by financial institutions to eligible entities under loan guarantee programs under this section shall not be obligations of, or guaranteed in any respect by, the United States.

(4) INTEREST FROM AMOUNTS IN RESERVE FUND.—Any interest earned from amounts in the State's reserve fund shall be credited to such fund.

(d) FEDERAL AND STATE SHARE.—

(1) FEDERAL SHARE.—The Federal share under this section may not exceed 50 percent of the total cost of the program established under subsection (c) for any fiscal year.

(2) STATE SHARE.—The State share shall be provided from non-Federal sources and may be in cash or in-kind, fairly evaluated.

SEC. 325. EMPLOYMENT, TRAINING, AND EDUCATION ASSISTANCE FOR NATIVE AMERICANS.

(a) AUTHORIZATION.—From amounts reserved under section 4(a)(2) for any fiscal year, there shall be reserved one quarter of one percent, or $85,000,000, whichever is less, to provide grants to, or enter into contracts

or cooperative agreements with, Indian tribes and tribal organizations, tribally-controlled colleges, tribally-controlled post-secondary vocational institutions, Indian-controlled organizations serving off-reservation areas, Alaska Native village and regional entities serving areas as described in the Alaska Native Claims Settlement Act and Hawaiian Native-controlled organizations to provide employment, training, vocational rehabilitation, library services, and education assistance for Native Americans.

(b) TRANSFER OF AUTHORITY FOR VOCATIONAL EDUCATION ACTIVITIES.—In carrying out subsection (a), the Secretary of Labor may enter into an agreement with the Secretary of Education to carry out any portion of assistance under such subsection devoted to vocational educational activities, including support for the United Tribes Technical College and Crownpoint Institute of Technology.

(c) CONSOLIDATION OF FUNDS.—Entities receiving assistance under subsection (a) may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act (Public Law 102–477).

(d) REGULATIONS.—The Secretary shall consult with Indian, Alaska Native and Hawaiian Native groups in establishing regulations to carry out this section, including performance standards for entities receiving assistance under subsection (a), taking into account the economic circumstances of such groups.

SEC. 326. EMPLOYMENT, TRAINING, AND EDUCATION ASSISTANCE FOR MIGRANT AND SEASONAL FARMWORKERS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—From amounts reserved under section 4(a)(2) for any fiscal year, there shall be reserved one quarter of one percent, or $85,000,000, whichever is less, to provide grants to, or enter into contracts or cooperative agreements with, entities described in paragraph (2) to provide employment, training, and education assistance for migrant and seasonal farmworkers.

(2) ENTITIES DESCRIBED.—An entity described in this paragraph is an entity the Secretary determines to have the capacity to administer effectively a diversified workforce development program for migrant and seasonal farmworkers.

(b) USE OF AMOUNTS.—An entity shall use amounts received under subsection (a) to provide employment, training, educational development, high school equivalency, post-secondary education assistance, vocational rehabilitation, literacy, English as a second language, work-based education and development, worker safety training, employability enhancements, emergency or other disaster relief, housing, technical assistance, outreach, intake, assessment, follow-up, stipend support, supportive services, other needs-based assistance, self-employment and related business enterprise development education, and the management of a database on participating migrant and seasonal farmworkers.

(c) REGULATIONS.—The Secretary shall consult with seasonal and migrant farmworker groups in establishing regulations to carry out this section, including performance standards for entities receiving assistance under subsection (a)(2), taking into account the economic circumstances of such groups.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY CONSOLIDATION GRANT

SEC. 401. FINDINGS.

The Congress finds as follows:

(1) According to the 1990 census, 21 percent of our Nation's adults (more than 38 million persons) lack a high school credential or are limited English proficient.

(2) The National Adult Literacy Survey, conducted under the Adult Education Act, found that 20 percent of all adults in the United States, or about 40 million people, have minimal levels of literacy skills and that the lack of such skills is related to unemployment, low wages, and fewer weeks worked.

(3) The success of State efforts to reform and improve public education are dependent on the ability of the United States to break intergenerational cycles of illiteracy and inadequate education by ensuring that parents possess a strong educational foundation and, as the first and most continuous teachers of their children, model for, and instill in, their children a commitment to family literacy and life-long learning.

(4) Generations of immigrants have contributed to our communities and our economy, but for them to continue to do so given recent technologies and the competitive global economy, they must master English as rapidly as possible.

(5) Studies have found that incarcerated adults are twice as likely as nonincarcerated adults to lack a good education and that such lack is a significant statistical indicator of recidivism.

(6) Certain short-term and long-term goals of the Nation may not be met unless the United States improves its current system of adult education and life-long learning through Federal leadership.

SEC. 402. DEFINITIONS.

As used in this title:

(1) CORRECTIONAL EDUCATION AGENCY.—The term ''correctional education agency'' means an entity that provides programs for criminal offenders in corrections institutions and for other institutionalized individuals which include academic programs for basic education, special education, bilingual or English language instruction, vocational training, library development, corrections education programs, guidance and counseling, and other supportive services for criminal offenders which may emphasize coordination of educational services with educational institutions, community-based organizations of demonstrative effectiveness, and the private sector, designed to provide education and training.

(2) EDUCATIONALLY DISADVANTAGED ADULT.—The term ''educationally disadvantaged adult'' means an adult who—

(A) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

(B) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.

(3) FAMILY LITERACY SERVICES.—The term ''family literacy services'' means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:

(A) Interactive literacy activities between parents and their children.

(B) Training for parents on how to be their children's primary teacher and full partners in the education of their children.

(C) Parent literacy training.

(D) An age-appropriate education program for children.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

Subtitle A—Adult Education and Family Literacy Consolidation Grant

SEC. 411. PURPOSES.

The purposes of this subtitle are to assist States to provide—

(1) to adults, the basic educational skills necessary for employment and self-sufficiency;

(2) to adults who are parents, the educational skills necessary to be full partners in the educational development of their children;

(3) to adults, the basic English language skills necessary to participate in the civic, social, and economic life of the United States; and

(4) to adults, the opportunity to attain a high school degree or its equivalent in order to permit them to pursue further education and training or improve their family and work situations.

CHAPTER 1—FUNDING

SEC. 421. RESERVATIONS FROM AMOUNTS APPROPRIATED.

(a) NATIONAL INSTITUTE FOR LITERACY.—For any fiscal year, the Secretary shall reserve $4,500,000 of the amount appropriated under section 4(a)(3) to carry out the activities of the National Institute for Literacy described in section 441.

(b) NATIONAL LEADERSHIP ACTIVITIES.—For any fiscal year, the Secretary shall reserve $4,500,000 of the amount appropriated under section 4(a)(3) to establish and carry out the program of national leadership and evaluation activities described in section 442.

SEC. 422. ALLOTMENT.

(a) INITIAL ALLOTMENT.—From the sums available for the purpose of making grants under chapter 2 for any fiscal year, the Secretary shall allot—

(1) $100,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands; and

(2) $250,000 to each of the other States.

(b) ADDITIONAL ALLOTMENT.—

(1) IN GENERAL.—From the remainder of the sums described in subsection (a) after the application of the subsection, the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the number of qualifying adults in the State bears to the number of such adults in all States.

(2) QUALIFYING ADULT.—For purposes of this subsection, the term ''qualifying adult'' means an adult who—

(A) is at least 16 years of age, but less than 61 years of age;

(B) is beyond the age of compulsory school attendance under State law;

(C) does not have a certificate of graduation from a school providing secondary education (or its equivalent); and

(D) is not currently enrolled in elementary or secondary school.

CHAPTER 2—GRANTS TO STATES

SEC. 431. REQUIREMENT TO MAKE GRANTS.

For fiscal year 1997 and subsequent fiscal years, the Secretary shall make a grant to a State in an amount equal to the initial and additional allotments of the State for the year if the State—

(1) has satisfied the requirements of title I and section 433(a)(1);

(2) agrees not to expend the grant for any purpose other than in accordance with section 432;

(3) agrees to satisfy the grant requirements in section 433(a)(2) and 433(b); and

(4) agrees not to expend the grant for the purpose of supporting or providing programs, services, or activities for individuals who are not adults, except if such programs, services, or activities are related to family literacy services.

SEC. 432. USES OF FUNDS.

(a) STATE USES OF FUNDS.—

(1) GRANTS TO SERVE TARGET POPULATIONS.—

(A) IN GENERAL.—Of the funds paid to a State under this title for fiscal year 1998 and

subsequent fiscal years, 3 percent shall be distributed as performance grants made by the State on a competitive basis, and consistent with subsection (b) and section 433(b)(2), to local service providers that have provided, during the immediately preceding fiscal year, adult education or family literacy services to the target populations described in subparagraph (C).

(B) LOCAL SERVICE PROVIDERS.—The local service providers referred to in subparagraph (A) may include the following:

(i) Local educational agencies.

(ii) Correctional educational agencies.

(iii) Community-based organizations.

(iv) Public or private nonprofit agencies.

(v) Institutions of higher education.

(vi) Libraries.

(vii) Other institutions that the State determines to have the ability to provide literacy services to adults and families.

(C) TARGET POPULATIONS.—The target populations referred to in subparagraph (A) are the following:

(i) Adults with more than one barrier to self-sufficiency, such as being unemployed or an educationally disadvantaged adult.

(ii) Families on public assistance (as determined by the State).

(iii) Parents who are educationally disadvantaged adults and who have a child who is less than 8 years of age.

(iv) Adults who are individuals with disabilities or who have similar special needs.

(2) GRANTS TO LOCAL SERVICE PROVIDERS.—Of the funds paid to a State under this subtitle for any fiscal year that remain after the application of paragraph (1), at least 85 percent shall be distributed as grants made by the State on a competitive basis, and consistent with subsection (b) and section 433(b)(2), to local service providers to establish, conduct, or expand programs, services, or activities to achieve a purpose of this subtitle. Such local service providers may include the local service providers described in paragraph (1)(B).

(3) OTHER STATE ACTIVITIES.—A State may use not more than 12 percent of the funds paid to the State under this subtitle for any fiscal year that remain after the application of paragraph (1) for one or more of the following purposes:

(A) The establishment or operation of professional development programs to improve the quality of instruction provided in local adult education and literacy programs, including instruction provided by volunteers.

(B) The provision of technical assistance to local service providers.

(C) The provision of technology assistance to local service providers to enable them to improve the quality of their programs, services, and activities that achieve a purpose of this subtitle, including—

(i) providing hardware and software;

(ii) paying for service connection fees associated with gaining access to computerized databases; and

(iii) upgrading the technological capabilities of local service providers to improve the quality of their services and to assist them in providing services on a flexible schedule that meets the needs of diverse populations.

(D) The support of State or regional networks of literacy resource centers that—

(i) enhance the coordination of literacy services across public and private programs and State agencies;

(ii) enhance the capacity of the State and local service providers to provide literacy services through the diffusion and adoption of state-of-the-art teaching methods and technologies;

(iii) provide linkages between the National Institute for Literacy established under section 441 and local service providers for the sharing of literacy information, research, and resources;

(iv) encourage government and industry partnerships; and

(v) provide training and technical assistance to literacy instructors in reading instruction, the use of state-of-the-art methodologies, instructional materials, and technologies, and professional development.

(E) Monitoring and evaluating the quality of, and the improvement in, services and activities conducted with Federal financial assistance under this subtitle, including carrying out section 433(a)(2).

(F) The support of a common management information system as described in section 109.

(G) Carrying out other activities of statewide significance that promote the purposes of this Act.

(4) ADMINISTRATIVE EXPENSES.—For any fiscal year, a State may use not more than 3 percent of the funds paid to the State under this subtitle that remain after the application of paragraph (1) or $50,000, whichever is greater, for—

(A) planning, administration, and interagency coordination associated with a grant under this subtitle; and

(B) support for integrated career center systems described in section 107.

(b) LOCAL USES OF FUNDS.—A State shall require that a local service provider that receives a grant from the State under paragraph (1) or (2) of subsection (a) use the grant to establish or operate one or more programs that provide instruction or services within one or more of the following categories:

(1) Adult basic education that is designed for an adult who—

(A) has minimal competence in reading, writing, or computation;

(B) is not sufficiently competent in reading, writing, or computation to meet the requirements of adult life in the United States; or

(C) is not sufficiently competent in speaking, reading, or writing the English language to obtain employment commensurate with the adult's intellectual abilities.

(2) Adult secondary education that is designed for an adult who is literate and can function in everyday life, but who—

(A) has not acquired basic educational skills, including reading, writing, and computation; or

(B) does not have a certificate of graduation from a school providing education to students in grade 12, or its equivalent.

(3) English literacy instruction that is designed for an adult—

(A) who—

(i) has limited ability in speaking, reading, writing, or understanding the English language and whose native language is a language other than English; or

(ii) lives in a family or community environment where a language other than English is the dominant language; and

(B) who, by reason of a condition described in subparagraph (A), has sufficient difficulty reading, writing, or understanding the English language that the adult is unable—

(i) to learn successfully in a classroom where the language of instruction is English; or

(ii) to participate fully in the society of the United States.

(4) Family literacy services.

(c) AUTHORIZATION TO RECEIVE PAYMENTS FROM OTHER PROGRAMS.—A local service provider that receives a grant from a State under paragraph (1) or (2) of subsection (a), and that provides adult education and literacy services to an adult who was referred to the provider by a program supported under title II or III, may receive payment for the services from the program, either in the form of a career grant or by some other means.

SEC. 433. ADDITIONAL GRANT REQUIREMENTS.

(a) GOALS, PROGRESS INDICATORS, PERFORMANCE MEASURES.—

(1) PLANNING REQUIREMENTS.—A State that desires to receive a grant under this subtitle shall accomplish the following:

(A) Establish, through the collaborative process described in section 103, measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State.

(B) Based on such goals and the performance measures described in section 110(f), establish, through such collaborative process, progress indicators to be used to evaluate the performance of local service providers receiving a grant under paragraph (1) or (2) of section 432(a).

(C) Describe such goals and progress indicators in the State workforce development and literacy plan submitted to the Secretary under section 104.

(2) IMPLEMENTATION REQUIREMENTS.—A State that receives a grant under this subtitle shall accomplish the following:

(A) With respect to each local service provider receiving a grant under paragraph (1) or (2) of section 432(a), based on the goals and progress indicators established under paragraph (1), measure the performance measures described in section 110(f) and use the data produced by such measurement to improve the quality of services provided to program participants or service recipients.

(B) Beginning on the date that is 2 years after the first date that a local service provider receives a grant under paragraph (1) or (2) of section 432(a), annually assess the degree to which the provider is meeting or exceeding the progress indicators applicable to the provider.

(C) Annually report to the Secretary on the performance measures described in section 434 for each category described in such section.

(b) OTHER REQUIREMENTS.—A State that receives a grant under this subtitle shall ensure the following:

(1) EXPENDITURES OF NON-FEDERAL FUNDS.—For any fiscal year for which a grant is made to the State under this subtitle, the State shall expend, on programs and activities relating to adult education and family literacy services, an amount, derived from sources other than the Federal Government, equal to 25 percent of the State's initial and additional allotments for the year.

(2) PRIORITY FOR PLANNING WITH BOARDS AND SYSTEMS.—In awarding grants to local service providers under paragraph (1) or (2) of section 432(a), the State shall give priority to providers that demonstrate joint planning with local workforce development boards and integrated career center systems.

(3) EQUITABLE ACCESS.—Local educational agencies, public or private nonprofit agencies, community-based organizations, correctional education agencies, institutions of higher education, libraries, and institutions which serve educationally disadvantaged adults shall be provided direct and equitable access to Federal funds provided under this subtitle in accordance with this subtitle.

(4) PAYMENTS BY LOCAL WORKFORCE DEVELOPMENT BOARDS TO LOCAL SERVICE PROVIDERS.—A local service provider that receives a grant from a State under paragraph (1) or (2) of section 432(a) may negotiate with a local workforce development board with respect to receipt of payments for adult education and literacy services provided by the provider to adults referred to the provider by a program supported under title II or III.

CHAPTER 3—NATIONAL PROGRAMS

SEC. 441. NATIONAL INSTITUTE FOR LITERACY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There shall be established a National Institute for Literacy (in this section referred to as the ''Institute''). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the ''Interagency Group''). The Secretary may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

(2) BOARD RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the ''Board'') established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals.

(3) DAILY OPERATIONS.—The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g).

(b) DUTIES.—

(1) IN GENERAL.—The Institute shall—

(A) provide national leadership for the improvement and expansion of the system for delivery of literacy services;

(B) coordinate the delivery of such services;

(C) support the creation of new methods of offering improved services;

(D) serve as a national resource for adult education and family literacy services by providing to the public the best and most current information available on the subjects; and

(E) assist States in developing levels of performance.

(2) AUTHORIZED ACTIVITIES.—In order to carry out the duties described in paragraph (1), the Institute may—

(A) establish a national electronic database of information that includes—

(i) information on—

(I) effective practices in the provision of literacy and basic skills instruction;

(II) public and private literacy and basic skills programs and Federal, State, and local policies affecting the provision of literacy services at the national, State, and local levels; and

(III) technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

(ii) a communication network for literacy programs, providers, and students;

(B) coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local level;

(C) coordinate the support of research and development on literacy and basic skills in families and adults across Federal agencies and carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies;

(D) collect and disseminate information on methods of advancing literacy that show promise of success; and

(E) assist in the development of policy with respect to literacy and basic skills.

(3) GRANTS, CONTRACTS, AND AGREEMENTS.—The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

(c) LITERACY LEADERSHIP.—

(1) FELLOWSHIPS.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

(3) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

(d) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board. The Board shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

(i) are not otherwise officers or employees of the Federal Government; and

(ii) are representative of entities or groups described in subparagraph (B).

(B) ENTITIES OR GROUPS DESCRIBED.—The entities or groups referred to in subparagraph (A) are—

(i) literacy organizations and providers of literacy services, including—

(I) nonprofit providers of literacy services;

(II) providers of programs and services involving English language instruction; and

(III) providers of services receiving assistance under this subtitle;

(ii) businesses that have demonstrated interest in literacy programs;

(iii) literacy students;

(iv) experts in the area of literacy research;

(v) State and local governments; and

(vi) representatives of employees.

(2) DUTIES.—The Board shall—

(A) make recommendations concerning the appointment of the Director and staff of the Institute;

(B) provide independent advice on the operation of the Institute; and

(C) receive reports from the Interagency Group and the Director.

(3) TERMS.—

(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which ⅓ of the members are selected each year.

(B) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

(4) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

(5) CHAIRPERSON AND VICE CHAIRPERSON.—The chairperson and vice chairperson of the Board shall be elected by the members. The term of office of the chairperson and vice chairperson shall be 1 year.

(6) MEETINGS.—The Board shall meet at the call of the chairperson or a majority of its members.

(e) GIFTS, BEQUESTS, AND DEVISES.—The Institute may accept, administer, and use gifts or donations of services, money, or property, both real and personal.

(f) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(g) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

(h) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum rate payable under section 5376 of title 5, United States Code.

(i) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(j) REPORT.—The Institute shall submit a biennial report to the Interagency Group and the Congress.

SEC. 442. NATIONAL LEADERSHIP ACTIVITIES.

(a) IN GENERAL.—The Secretary shall establish and carry out a program of national leadership and evaluation activities to enhance the quality of adult education and family literacy programs nationwide.

(b) REQUIRED ACTIVITY.—

(1) IN GENERAL.—The program of national leadership and evaluation activities under subsection (a) shall include a national evaluation, conducted by the Secretary, of the programs and activities carried out by States and local service providers with Federal funds received under this subtitle. Such evaluation shall include information on the following:

(A) The manner in which States and local service providers use Federal funds, including the manner in which States allocate such funds among such providers.

(B) The manner in which States establish goals and performance standards and use such goals and standards to manage and improve programs.

(C) The effectiveness of the funds used under subparagraphs (B) and (C) of section 432(a)(3).

(D) The manner in which economically disadvantaged individuals and educationally disadvantaged adults are being served by States and local service providers.

(E) The coordination between programs and activities carried out with Federal funds received under titles II and III and programs and activities carried out with Federal funds received under this subtitle.

(F) The percentage of individuals receiving a service from an integrated career center system who are referred by such system to a

local service provider providing adult education or literacy services.

(2) REPORT.—Not later than September 30, 2001, the Secretary shall provide to the Congress and publicly publish the results of the evaluation conducted under paragraph (1).

(c) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—The program of national leadership and evaluation activities under subsection (a) may include the following:

(A) Assisting States in developing levels of performance.

(B) Research and development.

(C) Demonstration of model and innovative programs.

(D) Evaluations, including independent evaluations of adult education and family literacy programs carried out with financial assistance received pursuant to this subtitle.

(E) Data collection.

(F) Professional development.

(G) Technical assistance to States and local service providers receiving Federal financial assistance pursuant to this subtitle.

(H) Making grants to State or regional networks of literacy resource centers described in section 432(a)(3)(D).

(I) Other activities to enhance the quality of adult education and family literacy programs nationwide.

(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary may carry out the activities described in paragraph (1) directly or through grants, contracts, and cooperative agreements.

Subtitle B—Library Services and Technology Consolidation Grant

SEC. 451. PURPOSES.

The purposes of this subtitle are—

(1) to consolidate Federal library service programs;

(2) to improve public access to information through electronic networks; and

(3) to provide linkages among and between libraries and integrated career center systems.

SEC. 452. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle $110,000,000 for each of the fiscal years 1997 through 2002.

(b) ADVANCE NOTICE OF FUNDING.—For the purpose of affording adequate notice of funding available under this subtitle, an appropriation to carry out this subtitle is authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which such appropriation is first available for obligation.

SEC. 453. ALLOTMENTS.

(a) INITIAL ALLOTMENTS.—

(1) IN GENERAL.—From the sums appropriated under section 452 for any fiscal year, the Secretary shall allot—

(A) $40,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands; and

(B) $200,000 to each of the other States.

(2) RATABLE REDUCTION.—If the sums appropriated under section 452 for any fiscal year are insufficient to pay all of the allotments under paragraph (1), each such allotment shall be ratably reduced.

(b) ADDITIONAL ALLOTMENTS.—

(1) IN GENERAL.—From the remainder of the sums appropriated under section 452 for any fiscal year after the application of subsection (a), the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the population of the State bears to the population of all States.

(2) DETERMINATION OF POPULATION OF STATES.—For the purpose of this subsection, the population of each State, and the total population of all States, shall be determined by the Secretary on the basis of the most recent census data available to the Secretary, and the Secretary shall use for such purpose, if available, the annual interim current census data produced by the Secretary of Commerce pursuant to section 181 of title 13, United States Code.

SEC. 454. GRANTS TO STATES.

(a) IN GENERAL.—The Secretary shall make a grant for a fiscal year to a State if the State—

(1) has submitted to the Secretary for the year an annual application that has been approved by the Secretary under section 456; and

(2) has entered into a written agreement with the Secretary that—

(A) the State will provide 100 percent of the funds paid to the State under this subtitle for the year to the State library administrative agency for the State;

(B) such agency will be required to use such funds to carry out activities that—

(i) are described in such annual application;

(ii) achieve the purposes of this subtitle; and

(iii) satisfy the requirements of section 455;

(C) there will be available from State and local sources for expenditure by such agency to carry out such activities an amount that equals or exceeds 25 percent of the total cost (as determined by the Secretary) of carrying out such activities for the year; and

(D) such agency has the fiscal and legal authority and capability to administer all aspects of such activities.

(b) AMOUNT OF GRANTS.—The amount of a grant to a State under subsection (a) for a fiscal year shall equal the lesser of the following:

(1) The sum of the initial and additional allotments of the State for the year.

(2) 75 percent of the total cost (as determined by the Secretary) of carrying out the activities described in subsection (a)(2)(B) for the year.

SEC. 455. USES OF FUNDS.

(a) IN GENERAL.—Of the funds provided to a State library administrative agency under section 454(a)(2)(A), the agency shall expend (either directly or through subgrants or cooperative agreements) at least 97 percent for one or more of the following purposes:

(1) Electronically connecting libraries with integrated career center systems designated or established under section 107 and local service providers receiving grants under paragraph (1) or (2) of section 432(a).

(2) Establishing or enhancing linkages among libraries.

(3) Assisting libraries in accessing information through electronic networks.

(4) Encouraging libraries in different Federal, State, and local jurisdictions, and different types of libraries, to establish consortia and share resources.

(5) Paying costs for libraries to acquire or share computer systems and telecommunications technologies.

(6) Improving library and information services for individuals who have difficulty using a library or who need special library materials or services, including individuals under the age of 18.

(b) ADMINISTRATIVE EXPENSES.—In any fiscal year, a State library administrative agency may use not more than 3 percent of the funds provided to the agency under section 454(a)(2)(A) for planning, administration, evaluations, and interagency coordination associated with a grant under this subtitle.

SEC. 456. ANNUAL APPLICATIONS.

(a) SUBMISSION.—A State that desires to receive a grant under this subtitle for a fiscal year shall submit to the Secretary, in such form and manner and before such deadline as the Secretary shall specify in regulations, an application for such year. Such application shall—

(1) establish goals, and specify priorities, for the State consistent with the purposes of this subtitle;

(2) describe activities that are consistent with such goals and priorities, the purposes of this subtitle, and the requirements of section 455 that the State library administrative agency will carry out during such year using such grant;

(3) describe the procedures that such agency will use to carry out such activities;

(4) describe the methodology that such agency will use to evaluate the success of such activities in achieving such goals and meeting such priorities;

(5) describe procedures that such agency will use to involve libraries and library users throughout the State in policy decisions regarding implementation of this subtitle; and

(6) provide assurances satisfactory to the Secretary that such agency will make such reports, in such form and containing such information, as the Secretary may reasonably require to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out its purposes.

(b) APPROVAL.—

(1) IN GENERAL.—The Secretary shall approve each application submitted under subsection (a) that satisfies the requirements of the subsection.

(2) RIGHTS OF STATES UPON DISAPPROVAL.—If the Secretary determines that an application submitted by a State under subsection (a) does not satisfy the requirements of such subsection, the Secretary shall—

(A) immediately notify the State of such determination and the reasons for such determination; and

(B) offer the State an opportunity to revise its application to correct any deficiencies.

TITLE V—AMENDMENTS TO REHABILITATION ACT OF 1973

Subtitle A—Vocational Rehabilitation Consolidation Grant

CHAPTER 1—TRANSITION PERIOD

SEC. 501. TRANSITION.

With respect to the amendment made by section 511(a)(4) to title I of the Rehabilitation Act of 1973, the Secretary of Education, acting through the Commissioner of the Rehabilitation Services Administration, shall administer the amendment in accordance with the following:

(1) During fiscal year 1996, the Secretary shall develop administrative policies for implementing the amendment.

(2) During the fiscal years 1997 and 1998, the Secretary shall begin implementing the amendment in accordance with paragraph (4).

(3) The Secretary shall ensure that, by the first day of fiscal year 1999, the amendment is fully implemented.

(4) For purposes of paragraph (2), the Secretary shall ensure that, before the first day of fiscal year 1999, the following requirements, administered as conditions on the receipt of grants under such title, have been met:

(A) The States have complied with section 103(b)(4) of such title (as amended by section 511) regarding the participation of certain providers.

(B) The States have established policies and made arrangements for the operation of the system of career grants described in section 103(c) of such title, including with respect to the reimbursement of providers.

(C) The States have established policies and made arrangements under section 103(b)(12) of such title regarding the training of the management and staff of integrated

career center systems with respect to individuals with disabilities.

(D) The States have established policies and made arrangements under section 104 of such title regarding the establishment of such centers, including providing for the significant participation of community-based providers in the program carried out by the State pursuant to such title.

(E) Such other requirements under the amendment as the Secretary determines to be appropriate.

(5)(A) Notwithstanding the amendment, during the fiscal years 1996 through 1998, the provisions of title I of the Rehabilitation Act of 1973 that were in effect on the day before the date of the enactment of this Act continue to be in effect, subject to paragraphs (1) through (4). In implementing the amendment, the Secretary shall seek to avoid unnecessarily disrupting the provision of services under such title to individuals who, as of the date of the enactment of this Act, were receiving services pursuant to an individualized plan under such title.

(B) On and after the first day of fiscal year 1999, the provisions referred to in the first sentence of subparagraph (A) do not have any legal effect.

CHAPTER 2—REVISION OF TITLE I OF REHABILITATION ACT OF 1973

SEC. 511. REVISION OF TITLE I.

(a) IN GENERAL.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) by transferring section 112 from the current placement of the section;

(2) by redesignating such section as section 510;

(3) by adding such section at the end of title V; and

(4) by amending title I to read as follows:

"TITLE I—VOCATIONAL REHABILITATION SERVICES

"SEC. 100. PURPOSE.

''The purpose of this title is to assist States in making available to individuals with disabilities a program of employment, training, and rehabilitation services that is consistent with their strengths, resources, priorities, concerns, abilities, and capabilities; that maximizes individuals' control over their vocational and career choices; and that is in accordance with the goal of assuring equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals.

"SEC. 101. FORMULA GRANTS.

''(a) IN GENERAL.—

''(1) FORMULA GRANTS.—In the case of each State that submits to the Secretary a workforce development and literacy plan for fiscal year 1999 or any subsequent fiscal year that meets the requirement of section 104 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Secretary shall make a grant for the year to the State as the Federal share of carrying out the purposes specified in this title. The grant shall consist of the allotment determined for the State under section 107.

''(2) CONDITIONS FOR GRANT.—A State may receive a grant under paragraph (1) for a fiscal year only if the State meets the conditions described in this title for the State for the fiscal year.

''(b) ADMINISTRATOR OF FEDERAL PROGRAM.—The Secretary shall carry out this title acting through the Commissioner of the Rehabilitation Services Administration, except as indicated otherwise.

''(c) RULE OF CONSTRUCTION.—The purpose specified in section 100 shall be carried out only in accordance with the other provisions of this title.

''(d) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2002, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this subsection for the immediately preceding fiscal year, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

''(2) ADJUSTMENTS PURSUANT TO CONSUMER PRICE INDEX.—

''(A) Not later than November 15 of each fiscal year, the Secretary of Labor shall publish in the Federal Register the percentage change in the Consumer Price Index published for October of the preceding fiscal year and October of the fiscal year in which such publication is made.

''(B) If in any fiscal year the percentage change published under subparagraph (A) indicates an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A) increased by such percentage change.

''(C) If in any fiscal year the percentage change published under subparagraph (A) does not indicate an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A).

''(D) For purposes of this paragraph, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

''(3) AUTOMATIC EXTENSION OF AUTHORIZATION.—

''(A) Unless, in the regular session that ends prior to the beginning of the last fiscal year for which an authorization of appropriations is provided in paragraph (1), legislation has been enacted that has the effect of extending such authorization, such authorization is automatically extended for one additional year.

''(B) The amount authorized to be appropriated for the additional fiscal year described in subparagraph (A) shall be an amount equal to the amount appropriated for such program for fiscal year 2002, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

''(C) In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations that are necessary for the continuation of the program authorized by this title, and such acts or determinations are required during the last fiscal year for which an authorization of appropriations is provided in paragraph (1), such acts and determinations shall be required during any fiscal year for which subparagraph (A) is in operation.

"SEC. 102. ALLOCATION WITHIN STATE OF ADMINISTRATIVE RESPONSIBILITIES.

''(a) IN GENERAL.—For purposes of section 101(a), a State will—

''(1) subject to subsection (b), reserve not more than 20 percent of the grant under such section for the fiscal year involved for carrying out the responsibilities of a State administrative agent under section 103; and

''(2) reserve not less than 80 percent of the grant for carrying out the responsibilities under section 104 of local workforce development boards and integrated career center systems with respect to workforce development areas.

''(b) ADDITIONAL STATE RESPONSIBILITIES.—Amounts reserved by a State under subsection (a)(1) may be expended by the State administrative agent to carry out responsibilities that otherwise would be carried out under section 104 by local workforce development boards or integrated career center systems, if the State determines that such expenditures are justified to make available goods and services that could not otherwise be obtained within a local workforce development area, to provide services to individuals unable to utilize the integrated career center systems, or to otherwise ensure the efficient and equitable provision in the State of services under this title, including the provision of services for individuals in rural areas.

''(c) CERTAIN DEFINITIONS.—For purposes of this Act, the terms 'State administrative agent', 'local workforce development area', 'local workforce development board', and 'integrated career center' have the meanings given such terms in sections 105 through 108, respectively, of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"SEC. 103. RESPONSIBILITIES OF STATE ADMINISTRATIVE AGENT.

''(a) STATE ADMINISTRATIVE AGENT.—In carrying out the requirements of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, a Governor may designate—

''(1) one State administrative agent to be responsible for carrying out this title for individuals who are blind; and

''(2) a different State administrative agent to carry out the remaining responsibilities in this title.

''(b) RESPONSIBILITIES.—For purposes of section 101(a) and the operation in a State of the program under this title:

''(1) This subsection, and the subsequent provisions of this section, will be carried out by State administrative agents designated by the Governor in accordance with subsection (a), through the collaborative process established under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(2)(A) The State will provide to the public an explanation of the methods by which the State will provide vocational rehabilitation services (as defined in section 104(b))—

''(i) to all eligible individuals (as defined in section 105(d)); and

''(ii) within all local workforce delivery areas in the State.

''(B) In the event that such services cannot be provided to all eligible individuals who apply for the services, the State will show and provide the justification for the order to be followed in selecting individuals to whom the services will be provided.

''(C) The order of selection under subparagraph (B) will be determined on the basis of serving first those individuals with the most severe disabilities, in accordance with criteria established by the State.

''(3) The State will establish guidelines providing that, in the case of an individual to whom the State will provide a service (in accordance with the order of selection under paragraph (2) and the assessment of needs under section 104(c)(1)), the individual will have the option of receiving the service from a provider designated by the center or from a provider selected by the individual pursuant to career grants under subsection (c).

''(4) Pursuant to section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the State will make significant efforts to encourage the participation in the State program of community-based private providers,

with special consideration given to providers who have received funds under this Act regarding projects with industry or supported employment services, or under the Act commonly known as the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) for employment and training services.

''(5) The State will establish provisions to govern determinations under section 105 (relating to the eligibility of individuals).

''(6) The State will establish standards to govern the conduct under section 104(c)(1) of assessments of need, including the development of a methodology that will be applied in a reasonably uniform manner to all individuals for whom such assessments are conducted, and that (subject to the order of selection under paragraph (2)) will be designed to prevent substantial disparities, among individuals with comparable circumstances, in the monetary value of the services to be provided pursuant to the assessments.

''(7)(A) The State will establish procedures through which an individual may request and obtain an impartial review, utilizing an impartial hearing officer, of whether standards for determinations of eligibility for services, assessments of vocational rehabilitation needs, and development of individualized rehabilitation and employment plans under this title were correctly applied to the individual by the integrated career center system involved.

''(B) The State will designate a number of days (applied uniformly to all individuals) within which review under subparagraph (A) will be conducted once a request for such review is made by an individual, subject to subparagraph (C).

''(C)(i) The State will provide that there may be an informal hearing, mediation, or alternatives to such review, if agreed upon by the individual and the integrated career center system involved.

''(ii) The State will provide that if, in a process utilized under clause (i) by an individual, there is a not a final disposition of the matter involved, review under subparagraph (A) will remain available to the individual.

''(8) The State will ensure that vocational rehabilitation services under this title, and related core services, are provided by personnel who are qualified to provide the services involved. For purposes of the preceding sentence, the term 'core services' has the meaning indicated for such term under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(9) The State will establish plans, policies, and procedures to be followed in carrying out the program under this title in the State (including entering into a formal interagency cooperative agreement with education officials responsible for the provision of a free appropriate public education to students who are individuals with disabilities). The State will ensure that such plans, policies, and procedures are designed in accordance with the following:

''(A)(i) To facilitate the development and accomplishment of the goals and objectives described in clause (ii) (including the specification of plans for coordination with the educational agencies in the provision of transition services), to the extent that the goals and objectives are included in an individualized education program of a student.

''(ii) The goals and objectives referred to in clause (i) are long-term rehabilitation goals; intermediate rehabilitation objectives; and goals and objectives related to enabling a student to live independently before the student leaves a school setting.

''(B) To facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under this title, including the specification of plans for coordination with educational agencies in the provision of transition services to an individual.

''(C) To provide for—

''(i) provisions for determining State lead agencies and qualified personnel responsible for transition services;

''(ii) procedures for outreach to and identification of youth in need of such services; and

''(iii) a timeframe for evaluation and follow-up of youth who have received such services.

''(10) The State will provide for coordination and working relationships with the Statewide Independent Living Council established under section 705 and independent living centers within the State.

''(11) The State will provide for interagency cooperation with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, and other programs for individuals with disabilities.

''(12) With respect to the integrated career center system operated pursuant to section 104, the State will provide for the appropriate training of the management and staff of the centers regarding the effective provision of services to individuals with disabilities.

''(13) The State will provide technical assistance to local boards, integrated career center systems, and providers relating to the effective provision of vocational rehabilitation services under this title, including the effective development of individualized rehabilitation and employment plans, and will ensure that such technical assistance is provided through appropriate means.

''(c) AVAILABILITY OF CAREER GRANTS SYSTEM REGARDING SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

''(1) The State will provide for the establishment of a system to carry out this subsection.

''(2) In the case of an eligible individual who (in accordance with the order of selection under subsection (b)(2) and the assessment of needs under section 105(b)(2)(A)) will receive vocational rehabilitation services under this title, the integrated career center involved will, upon request of the individual, provide to the individual career grants in accordance with this subsection.

''(3) Career grants under this subsection will enable such individual to obtain the vocational rehabilitation services involved from providers selected by the individual from among a list of providers approved by the State for such purpose in accordance with section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(4) The monetary value of a career grant provided to the individual for a particular type of service will be calculated at a fair market value.

''(5) To the extent practicable, the list of providers under paragraph (3) will provide for the availability within each local workforce development area of a broad range of services.

''(6) The aggregate value of the career grants available to the individual will be established in proportion to the degree of the individual's need for rehabilitation (as determined under section 104(c)(1)). Such value regarding the individuals may be adjusted to address emerging needs that arise during the course of the individual's rehabilitation and employment program.

''(d) STATE OPTIONS.—With respect to compliance with this section, a State may, in the discretion of the State, expend a grant under section 101 for the following:

''(1) To disseminate findings from research regarding vocational rehabilitation services, after consideration of requests from local workforce development boards and integrated career center systems regarding the types of information needed by such boards and centers.

''(2) To conduct demonstration projects regarding improvements with respect to vocational rehabilitation services, subject to providing the results of such projects to the Commissioner and as appropriate disseminating the results within the State.

''SEC. 104. RESPONSIBILITIES FOR LOCAL BOARDS AND SERVICE CENTERS.

''(a) PROVISION OF VOCATIONAL REHABILITATION SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

''(1) This section will be carried out by the integrated career center system in the State, with each such center acting under the guidance of the local workforce development board for the local workforce area within which the integrated career center system operates. Such centers will provide services under this section directly or through contract.

''(2) In accordance with the order of selection under section 103(b)(2), an integrated career center system will, in expending amounts provided to the center from a grant under section 101, carry out the following:

''(A) Make determinations under section 105 of the eligibility of individuals for vocational rehabilitation services (as defined in subsection (b)).

''(B) Provide for vocational rehabilitation services for eligible individuals.

''(C) In the case of individuals with severe disabilities, conduct outreach and intake activities for such individuals who are not able to directly access the integrated career center system because of the nature of their disabilities.

''(3) An integrated career center system will, in expending amounts provided to the center from a grant under section 101, make vocational rehabilitation services available at a variety of locations and, as appropriate for particular populations, in a variety of environments.

''(b) DEFINITION.—For purposes of this title, the term 'vocational rehabilitation services' means such goods or services for eligible individuals as are—

''(1) necessary to render the individuals employable and achieve an employment outcome; and

''(2) provided in response to needs that arise, to a significant extent, from the disability involved and do not duplicate, to any significant extent, the core services available under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(c) CERTAIN SERVICES.—For purposes of section 101(a), the vocational rehabilitation services available through integrated career center systems will include the following:

''(1) An assessment of the needs of eligible individuals for such services.

''(2) Development, in accordance with section 105(b)(2), of an individualized rehabilitation and employment plan for the purpose of identifying employment goals, appropriate intermediate rehabilitation objectives, and an appropriate combination of goods and services for the individual to achieve the employment goals.

''(3) Counseling, guidance, and work-related placement services for individuals with disabilities, including job search assistance, placement assistance, job retention services, personal assistance services, and follow-up, follow-along, and specific postemployment

services necessary to assist such individuals to maintain, regain, or advance in employment.

''(4) Vocational and other training services for individuals with disabilities, including personal and vocational adjustment, books, or other training materials, and such services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals.

''(5) Rehabilitation technology services.

''(6) Supported employment services.

''(7) Physical and mental restoration services.

''(8) Interpreter services for individuals who are deaf, and reader services for individuals who are blind.

''(9) Rehabilitation teaching services and orientation and mobility services for individuals who are blind.

''(10) Referral and other services designed to assist individuals with disabilities in securing needed services from other agencies through agreements developed under section 103(b)(10), if such services are not available under this Act.

''(11) Transportation in connection with the rendering of any vocational rehabilitation service.

''(12) Telecommunications, sensory, and other technological aids and devices.

''(13) On-the-job, or other related personal-assistance services, provided while eligible individuals are receiving other vocational rehabilitation services under this title.

''(d) CERTAIN ARRANGEMENTS.—For purposes of section 101(a), an integrated career center system will, with respect to the provision of vocational rehabilitation services to individuals with the most severe disabilities, provide for necessary arrangements with community-based providers, including arrangements regarding supported employment services and extended services, periodic reviews of individuals placed in extended employment, and services to promote movement from extended employment to integrated employment.

''(e) OPTIONAL PROVISION OF OTHER SERVICES.—For purposes of this title, an integrated career center system may provide such vocational rehabilitation services in addition to the services specified in subsection (c) as the center determines to be appropriate.

''(f) ALLOCATION FOR CORE SERVICES.—For purposes of section 101(a):

''(1) With respect to a fiscal year, a local workforce development board receiving amounts from a grant under section 101 will reserve an amount for the provision of core services under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(2) The amount so reserved will be based on the number of eligible individuals with disabilities in the local workforce development area and the costs of training employees of the integrated career center system to provide high-quality services to individuals with disabilities.

''(g) PERFORMANCE PAYMENTS REGARDING CAREER GRANTS.—For purposes of section 101(a):

''(1) The local workforce development board involved will ensure that, in providing for the payment of services provided pursuant to career grants, a portion of the total payment is withheld from the provider until the delivery of the services involved is completed in reasonable accordance with the outcome designated for the service pursuant to a prior understanding with the provider.

''(2) In the case of education, training, and placement services that are designed to lead to an employment outcome, a portion of the total payment will be withheld from the provider until—

''(A) the participant has successfully completed the training; and

''(B) the participant has been employed, and has retained employment for a period of not less than 90 days.

''(h) PAYOR OF LAST RESORT REGARDING MEDICAL SERVICES AND EDUCATIONAL ASSISTANCE.—For purposes of section 101(a), a State will not expend a grant under section 101 to pay for training services in institutions of higher education, or to pay for medical services, unless significant efforts have been made to secure payments, in whole or in part, from other sources, except that such efforts are not required if making the efforts would delay the provision of such services to any eligible individual who is at extreme medical risk, or if making the efforts would result in the loss of a job placement that (but for the efforts) would be immediately available to an eligible individual.

''SEC. 105. ELIGIBLE INDIVIDUAL.

''(a) IN GENERAL.—For purposes of section 101:

''(1) An individual will not receive vocational rehabilitation services under this title unless the individual—

''(A) is an individual with a disability under section 7(8)(A); and

''(B) requires vocational rehabilitation services to prepare for, enter, engage in, or retain gainful employment.

''(2) If the individual has a disability or is blind as determined pursuant to title II or title XVI of the Social Security Act, the individual will be considered to have—

''(A) a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment under section 7(8)(A)(i); and

''(B) a severe physical or mental impairment which seriously limits one or more functional capacities in terms of an employment outcome under section 7(15)(A)(i).

''(3) It will be presumed that an individual can benefit in terms of an employment outcome from vocational rehabilitation services for purposes of section 7(8)(A)(ii), unless the integrated career center system involved can demonstrate by clear and convincing evidence that such individual is incapable of benefiting from vocational rehabilitation services in terms of an employment outcome.

''(b) PROCESS.—For purposes of section 101(a), a State will ensure that, subject to the order of selection under section 102(b)(2), the following applies to an individual:

''(1) Once the individual makes a request in person for a determination of eligibility:

''(A) A qualified rehabilitation adviser will be made available to the individual regarding the process of obtaining services under this title.

''(B) An initial interview will be conducted, followed by an initial assessment.

''(C) A final determination will be made not later than 30 days after the request (subject to the cooperation of the individual in the process of determination).

''(D) The determination of eligibility will be based on the review of existing data described in clause (i) of section 7(22)(A), and, to the extent necessary, the preliminary assessment described in clause (ii) of such section.

''(E) If it is determined that the individual is not an eligible individual, the individual will be provided a written statement explaining the following:

''(i) The basis of the determination.

''(ii) The availability of impartial review under section 103(b)(7).

''(iii) The availability of services under the client assistance program under section 510.

''(2)(A) If it is determined that the individual is an eligible individual—

''(i) the needs of the individual for vocational rehabilitation services will be assessed; and

''(ii) subject to subparagraph (D), an individualized rehabilitation and employment plan will be developed for the individual regarding the provision of services pursuant to clause (i).

''(B) The plan under subparagraph (A) will be developed and mutually agreed upon by the individual and an appropriate staff member of the integrated career center system involved.

''(C) A plan under subparagraph (A) is individualized if the plan is consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the individual for whom the plan is developed.

''(D) A plan under subparagraph (A) is not required for an individual if the individual signs a waiver stating that such a plan is not necessary for the individual.

''(c) RULE OF CONSTRUCTION.—This title may not be construed as establishing an entitlement in any individual.

''(d) DEFINITION.—For purposes of this title, the term 'eligible individual' means an individual described in subsection (a)(1).

''SEC. 106. STATE REHABILITATION ADVISORY COUNCIL.

''(a) IN GENERAL.—For purposes of section 101(a):

''(1) A State will establish a State Rehabilitation Advisory Council (referred to in this section as the 'Council') in accordance with this section.

''(2) The Council will be composed of the following:

''(A) Representatives of organizations within the State providing services to individuals with disabilities and their families, including representatives of the client assistance program under section 510.

''(B) Representatives of business, industry, and labor.

''(C) Representatives of disability advocacy groups representing a cross section of—

''(i) individuals with physical, cognitive, sensory, and mental disabilities; and

''(ii) parents, family members, guardians, advocates, or authorized representatives, of individuals with disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves.

''(3) The State administrative agent will be an ex officio member of the Council.

''(4) Members of the Council will be appointed by the Governor or another entity that has appointment authority under State law.

''(5) A majority of Council members will be persons who are—

''(A) individuals with disabilities described in section 7(8)(B); and

''(B) not employed by the designated State administrative agent.

''(6)(A) Except as provided in subparagraph (B), the Council will select a chairperson from among the membership of the Council.

''(B) In States in which the Governor does not have veto power pursuant to State law, the Governor will designate a member of the Council to serve as the chairperson of the Council or will require the Council to so designate such a member.

''(7) Each member of the Council will serve for a term determined by the Governor or another entity that has appointment authority under State law.

''(8) Any vacancy occurring in the membership of the Council will be filled in the same manner as the original appointment. The vacancy will not affect the power of the remaining members to execute the duties of the Council.

''(b) FUNCTIONS OF COUNCIL.—For purposes of section 101(a), the Council will carry out the following:

''(1) Advise the collaborative process under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, and the State administrative agent, in the preparation of the State workforce development and literacy plan and other plans, reports, needs assessments, and evaluations required by this title.

''(2) To the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with, the delivery of core services and vocational rehabilitation services to individuals with disabilities within the State.

''(3) Prepare and submit an annual report to the collaborative process or appropriate State administrative agent and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public.

''(4) Coordinate with other councils within the State established to address the needs of individuals with disabilities.

''(5) Perform such other functions, consistent with the purpose of this title, as the State Rehabilitation Advisory Council determines to be appropriate, that are comparable to the other functions performed by the Council.

''(c) RESOURCES.—

''(1) PLAN.—For purposes of section 101(a), the Council will prepare, in conjunction with the State administrative agent, a plan for the provision of such resources, including such staff and other personnel, as may be necessary to carry out the functions of the Council under this section. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

''(2) RESOLUTION OF DISAGREEMENTS.—For purposes of section 101(a), to the extent that there is a disagreement between the Council and the State administrative agent in regard to the resources necessary to carry out the functions of the Council as set forth in this section, the disagreement will be resolved by the Governor or appointing agency identified in subsection (a)(4).

''(3) SUPERVISION AND EVALUATION.—For purposes of section 101(a), the Council will, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out its functions under this section.

''(4) PERSONNEL CONFLICT OF INTEREST.—For purposes of section 101(a), while assisting the Council in carrying out its duties, staff and other personnel will not be assigned duties by the State administrative agent or any other agency or office of the State, that would create a conflict of interest.

''(d) CONFLICT OF INTEREST.—For purposes of section 101(a), no member of the Council will cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest under State law.

''(e) MEETINGS.—For purposes of section 101(a), the Council will convene meetings and conduct such forums or hearings as the Council considers appropriate. The meetings, hearings, and forums will be publicly announced. The meetings will be open and accessible to the general public unless there is a valid reason for an executive session.

''(f) COMPENSATION AND EXPENSES.—For purposes of section 101(a), the Council may use funds appropriated under this title to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing the duties of the Council.

''(g) RULE OF CONSTRUCTION.—Nothing in this section prohibits a State from establishing and providing funds to a separate council to carry out functions described in subsection (b) with respect to vocational rehabilitation services for individuals who are blind.

''SEC. 107. AMOUNT OF ALLOTMENT.

''(a)(1) Subject to the provisions of subsection (d), for each fiscal year beginning before October 1, 1978, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under section 101(d) for allotment under this section as the product of (A) the population of the State, and (B) the square of its allotment percentage, bears to the sum of the corresponding products for all the States.

''(2)(A) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment in an amount equal to the amount such State received under paragraph (1) for the fiscal year ending September 30, 1978, and an additional amount determined pursuant to subparagraph (B) of this paragraph.

''(B) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment, from any amount authorized to be appropriated for such fiscal year under section 101(d) for allotment under this section in excess of the amount appropriated under such section for the fiscal year ending September 30, 1978, in an amount equal to the sum of—

''(i) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all the States; and

''(ii) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and its allotment percentage bears to the sum of the corresponding products for all the States.

''(3) The sum of the payment to any State (other than Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands) under this subsection for any fiscal year which is less than one-third of 1 percent of the amount appropriated under section 101(d), or $3,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotment to each of the remaining such States under this subsection, but with such adjustments as may be necessary to prevent the sum of the allotments made under this subsection to any such remaining State from being thereby reduced to less than that amount.

''(4) For each fiscal year beginning on or after October 1, 1984, for which any amount is appropriated pursuant to section 101(d), each State shall receive an allocation (from such appropriated amount) in addition to the allotment to which such State is entitled under paragraphs (2) and (3) of this subsection. Such additional allocation shall be an amount which bears the same ratio to the amount so appropriated as that State's allotment under paragraphs (2) and (3) of this subsection bears to the sum of such allotments of all the States.

''(b)(1) If the payment to a State pursuant to this section for a fiscal year is less than the total payments such State received under section 2 of the Rehabilitation Act for the fiscal year ending June 30, 1973, such State shall be entitled to an additional payment (subject to the same terms and conditions applicable to other payments under this title) equal to the difference between the payment under this section and the amount so received by it.

''(2) If a State receives as its Federal share pursuant to this section for any fiscal year less than the applicable Federal share of the expenditure of such State for fiscal year 1972 for vocational rehabilitation services under the plan for such State approved under section 101 as in effect for such year (including any amount expended by such State for the administration of the State plan but excluding any amount expended by such State from non-Federal sources for construction under such plan), such State shall be entitled to an additional payment for such fiscal year, subject to the same terms and conditions applicable to other payments under this title, equal to the difference between such the payment pursuant to this section and an amount equal to the applicable Federal share of such expenditure for vocational rehabilitation services.

''(3) Any payment attributable to the additional payment to a State under this subsection shall be made only from appropriations specifically made to carry out this subsection, and such additional appropriations are hereby authorized.

''SEC. 108. STATE OPTION FOR WAIVERS REGARDING ALTERNATIVE DELIVERY SYSTEMS.

''(a) IN GENERAL.—In the case of the requirements specified in subsection (b), the Secretary shall provide to a State a waiver of such requirements as the State elects, if (subject to the other provisions of this section) the following conditions are met:

''(1) The Governor, through the collaborative process under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, develops a proposed plan for alternative approaches (to be implemented by the State in lieu of the requirements involved).

''(2) The proposal is approved by each local workforce development board in whose local workforce development area the proposal (or any component of the proposal) is to be effective.

''(3) The local workforce development boards involved, and the Governor, determine that the following conditions have been met:

''(A) The proposal will better fulfill the purposes of this title than would compliance with the requirements involved.

''(B) In the development of the alternative approaches, the public was afforded a reasonable opportunity to comment on the proposed alternative approaches.

''(4) The Governor submits to the Secretary the following documents:

''(A) A notification that the State is electing to receive a waiver under this section.

''(B) A copy of the plan involved.

''(C) Such documents as the Secretary may require for purposes of verifying that the conditions established in paragraphs (1) through (3) have been met.

''(b) CERTAIN REQUIREMENTS REGARDING STATE ADMINISTRATIVE STRUCTURE FOR DELIVERY OF SERVICES.—The requirements referred to in subsection (a) are as follows:

''(1) The allocation under section 102 of amounts between State administrative agents and local workforce development boards.

''(2) The allocation under sections 103 and 104 of responsibilities between State administrative agents and local workforce development boards (including the use of integrated career center systems to provide vocational rehabilitation services).

''(3) The specification under section 103(a) of the State officials who are to administer the requirements of section 103.

''(c) APPLICABILITY OF WAIVER; REVIEW AND REVISION OF PLAN.—

''(1) APPLICABILITY.—A waiver under subsection (a) is effective for a fiscal year only if the documents under paragraph (4) of such subsection are submitted to the Secretary not later than 60 days before the beginning of the fiscal year.

''(2) REVIEW OF PLAN.—A waiver under subsection (a) is effective for such fiscal years as the State involved elects, except that, not less than once during each period of three fiscal years, the plan under the waiver is required (as a condition of the waiver remaining in effect) to be reviewed, and approved, by the Governor (through the collaborative process referred to in such subsection) and by the local workforce development boards involved.

''(3) REVISION OF PLAN.—The plan under a waiver under subsection (a) may be revised. Such subsection applies to such a revision to the same extent and in the same manner as the subsection applies to the original plan.

''(d) PERFORMANCE ACCOUNTABILITY SYSTEM.—A waiver under subsection (a) for a State does not, with respect to carrying out the program under this title in the State, affect the applicability to the State of section 110 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.''.

(b) CERTAIN FUNDING PROVISION.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by inserting after section 3 the following section:

''AVAILABILITY OF FUNDS

''SEC. 3A. Notwithstanding any other provision of law, funding to carry out titles II through VII for any fiscal year is available only to such extent and in such amounts as may be provided in advance in appropriations Acts.''.

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section—

(1) by inserting after the item relating to section 3 the following item:

''Sec. 3A. Availability of funds.'';

(2) by striking the items relating to sections 100 through 109, to sections 110 through 112, to sections 120 through 124, to section 130, and to sections 140 and 141;

(3) by striking the items relating to the title designation and heading for title I, and to the part designations and headings for parts A, B, C, D, and E of title I;

(4) by inserting after the item relating to section 21 the following items:

''TITLE I—VOCATIONAL REHABILITATION SERVICES

''Sec. 100. Purpose.
''Sec. 101. Formula grants.
''Sec. 102. Allocation within State of administrative responsibilities.
''Sec. 103. Responsibilities of State administrative agent.
''Sec. 104. Responsibilities for local boards and service centers.
''Sec. 105. Eligible individual.
''Sec. 106. State Rehabilitation Advisory Council.
''Sec. 107. Amount of allotment.
''Sec. 108. State option for waivers regarding alternative delivery systems.'';

and

(5) by inserting after the item relating to section 509 the following item:

''Sec. 510. Client assistance program.''.

Subtitle B—Other Amendments to Rehabilitation Act of 1973

SEC. 521. TRAINING AND DEMONSTRATION PROJECTS.

(a) IN GENERAL.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) in title III—

(A) by striking section 303;

(B) by striking section 304;

(C) in section 311—

(i) by striking subsections (c) and (f); and

(ii) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively;

(D) by striking section 312; and

(E) by striking section 316;

(2)(A) by transferring subsection (a) of section 802 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (e); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (1)(C) of this subsection);

(3)(A) by transferring subsection (g) of section 802 from the current placement of the subsection; and

(B) by redesignating such subsection as subsection (f); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (2)(C) of this subsection);

(4)(A) by transferring subsection (c) of section 803 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (g); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (3)(C) of this subsection);

(5)(A) by transferring subsection (b) of section 803 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (j); and

(C) by inserting such subsection at the end of section 302; and

(6) by striking the remaining provisions of title VIII.

(b) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section—

(1) by striking the items relating to sections 303, 304, 312, and 316;

(2) by striking the items relating to sections 801 through 803 of title VIII; and

(3) by striking the item relating to the title designation and heading for title VIII.

SEC. 522. EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES.

(a) IN GENERAL.—Effective October 1, 1995, title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq.) is amended—

(1) by striking part A;

(2) by striking part C;

(3) by striking part D; and

(4) in part B, by striking the part designation and heading.

(b) PROJECTS WITH INDUSTRY.—Effective October 1, 1998, title VI of the Rehabilitation Act of 1973, as amended by subsection (a) of this section, is repealed.

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section by striking the items relating to sections 611 through 617, to sections 631 through 638, and to section 641; and by striking the items relating to the part designations and headings for parts A, B, C, and D of title VI. Effective October 1, 1998, such table of contents is amended by striking the items relating to sections 621 through 623; and by striking the item relating to the title designation and heading for title VI.

SEC. 523. CERTAIN AMOUNTS.

(a) AMOUNTS REGARDING FISCAL YEAR 1996.—With respect to the aggregate amount that was available for fiscal year 1995 as direct spending for carrying out the programs under section 311(c), section 316, and part C of title VI of the Rehabilitation Act of 1973 (as such provisions were in effect for such fiscal year), an amount equal to such aggregate amount is hereby made available for fiscal year 1996 as direct spending for carrying out title I of such Act (in addition to the amount of direct spending that otherwise is available for such title I for fiscal year 1996).

(b) AMOUNTS REGARDING FISCAL YEAR 1999.—With respect to the amount made available in appropriations Act for fiscal year 1998 for carrying out title VI of the Rehabilitation Act of 1973 (as such title was in effect for such fiscal year), an amount equal to such amount is hereby made available for fiscal year 1999 as direct spending for carrying out title I of such Act (in addition to the amount of direct spending that otherwise is available for such title I for fiscal year 1999).

TITLE VI—HIGHER EDUCATION PRIVATIZATION

SEC. 601. REORGANIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION THROUGH THE FORMATION OF A HOLDING COMPANY.

(a) AMENDMENT.—Part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by inserting after section 439 (20 U.S.C. 1087–2) the following new section:

''SEC. 440. REORGANIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION THROUGH THE FORMATION OF A HOLDING COMPANY.

''(a) ACTIONS BY THE ASSOCIATION'S BOARD OF DIRECTORS.—The Board of Directors of the Association shall take or cause to be taken all such action as it deems necessary or appropriate to effect, upon the shareholder approval described in subsection (b), a restructuring of the common stock ownership of the Association, as set forth in a plan of reorganization adopted by the Board of Directors (the terms of which shall be consistent with this Act) so that all of the outstanding common shares shall be directly owned by an ordinary business corporation chartered under State or District of Columbia law (the 'Holding Company'), as the Board of Directors may determine. Such actions may include, in the Board's discretion, a merger of a wholly owned subsidiary of the Holding Company with and into the Association, which would have the effect provided in the plan of reorganization and the law of the jurisdiction in which such subsidiary is incorporated. As part of the restructuring, the Board of Directors may cause (1) the common shares of the Association to be converted, at the reorganization effective date, to common shares of the Holding Company on a one for one basis, consistent with applicable State or District of Columbia law, and (2) Holding Company common shares to be registered with the Securities and Exchange Commission.

''(b) SHAREHOLDER APPROVAL.—The plan of reorganization adopted by the Board of Directors pursuant to subsection (a) shall be submitted to common stockholders of the Association for their approval. The reorganization shall occur at the reorganization effective date, provided that the plan of reorganization has been approved by the affirmative votes, cast in person or by proxy, of the holders of a majority of the issued and outstanding shares of the Association common stock.

''(c) TRANSITION.—

''(1) IN GENERAL.—Except as specifically provided in this section, until the dissolution date the Association shall continue to have all of the rights, privileges and obligations

set forth in, and shall be subject to all of the limitations and restrictions of, section 439 of this Act as in effect on the effective date of this section, and the Association shall continue to carry out the purposes of such section. The Holding Company and its affiliates other than the Association shall not be entitled to any of the rights, privileges and obligations, and shall not be subject to the limitations and restrictions, applicable to the Association under section 439 of this Act as in effect on the effective date of this section, except as specifically provided in this section. The Holding Company and its subsidiaries (other than the Association) shall not purchase loans insured under this Act until such time as the Association ceases acquiring such loans, except that the Association shall continue to acquire loans as a lender of last resort pursuant to section 439(q) of this Act or under an agreement with the Secretary described in section 440(c)(6).

''(2) TRANSFER OF CERTAIN PROPERTY.—Except as specifically provided in this section, at the reorganization effective date or as soon as practicable thereafter, the Association shall use its best efforts to transfer to the Holding Company or its subsidiaries (or both), in each case, as directed by the Holding Company, all real and personal property of the Association (both tangible and intangible) other than the remaining property. Without limiting the preceding sentence, such transferred property shall include all right, title and interest in (A) direct or indirect subsidiaries of the Association (excluding any interest in any government sponsored enterprise), (B) contracts, leases, and other agreements, (C) licenses and other intellectual property, and (D) any other property of the Association. Notwithstanding the preceding provisions of this paragraph, nothing in this paragraph shall be construed to prohibit the Association from transferring remaining property from time to time to the Holding Company or its subsidiaries, subject to the provisions of paragraph (4).

''(3) TRANSFER OF PERSONNEL.—At the reorganization effective date, employees of the Association shall become employees of the Holding Company (or of the subsidiaries), and the Holding Company (or the subsidiaries or both) shall provide all necessary and appropriate management and operational support (including loan servicing) to the Association, as requested by the Association. The Association may, however, obtain such management and operational support from other persons or entities.

''(4) DIVIDENDS.—The Association may pay dividends in the form of cash or noncash distributions so long as at the time of the declaration of such dividends, after giving effect to the payment of such dividends as of the date of such declaration by the Board of Directors of the Association, the Association's capital would be in compliance with the capital standards set forth in section 439(r) of this Act. If, at any time after the reorganization effective date, the Association fails to comply with such capital standards, the Holding Company shall be obligated to transfer to the Association additional capital in such amounts as are necessary to ensure that the Association again complies with the capital standards.

''(5) VALUATION OF NONCASH DISTRIBUTIONS.—After the reorganization effective date, any distribution of noncash assets by the Association to the Holding Company shall be valued at book value on the date the Association's Board of Directors approved such distribution for purposes of calculating compliance with section 439(r) of this Act.

''(6) RESTRICTIONS ON NEW BUSINESS ACTIVITY OR ACQUISITION OF ASSETS BY ASSOCIATION.—After the reorganization effective date, the Association shall not engage in any new business activities or acquire any additional program assets described in section 439(d) of the Act other than—

''(A) in connection with (i) student loan purchases through September 30, 2003, and (ii) contractual commitments for future warehousing advances or pursuant to letters of credit or standby bond purchase agreements which are outstanding as of the reorganization effective date;

''(B) in connection with its serving as a lender-of-last-resort pursuant to section 439 of this Act; and

''(C) in connection with its purchase of loans insured under this part, if the Secretary, with the approval of the Secretary of the Treasury, enters into an agreement with the Association for the continuation or resumption of its secondary market purchase program because the Secretary determines there is inadequate liquidity for loans made under this part.

The Secretary is authorized to enter into an agreement described in subparagraph (C) with the Association covering such secondary market activities.

Any agreement entered into under subparagraph (C) shall cover a period of 12 months, but may be renewed if the Secretary determines that liquidity remains inadequate. The fee provided under section 439(h)(7) shall not apply to loans acquired under any such agreement with the Secretary.

''(7) ISSUANCE OF DEBT OBLIGATIONS DURING THE TRANSITION PERIOD; ATTRIBUTES OF DEBT OBLIGATIONS.—After the reorganization effective date, the Association shall not issue debt obligations which mature later than September 30, 2007, except in connection with serving as a lender-of-last-resort pursuant to section 439 of this Act or with purchasing loans under an agreement with the Secretary as described in paragraph (6) of this subsection. Nothing in this subsection shall modify the attributes accorded the debt obligations of the Association by section 439, regardless of whether such debt obligations are incurred prior to, or at any time following, the reorganization effective date or are transferred to a trust in accordance with subsection (d).

''(8) MONITORING OF SAFETY AND SOUNDNESS.—

''(A) OBLIGATION TO OBTAIN, MAINTAIN, AND REPORT INFORMATION.—The Association shall obtain such information and make and keep such records as the Secretary of the Treasury may from time to time prescribe concerning (i) the financial risk to the Association resulting from the activities of any of its associated persons, to the extent such activities are reasonably likely to have a material impact on the financial condition of the Association, including its capital ratio, its liquidity, or its ability to conduct and finance its operations, and (ii) the Association's policies, procedures, and systems for monitoring and controlling any such financial risk. The Association's obligations under this subsection with respect to any associated person which is a third party servicer (as defined in 34 C.F.R. 682.200(b)) shall be limited to providing to the Secretary of the Treasury copies of any reports or other information provided to the Secretary of Education pursuant to 34 C.F.R. 682.200 et seq. The Secretary of the Treasury may require summary reports of such information to be filed no more frequently than quarterly. For purposes of this paragraph, the term 'associated person' shall mean any person, other than a natural person, directly or indirectly controlling, controlled by, or under common control with the Association.

''(B) SEPARATE OPERATION OF CORPORATIONS.—

''(i) The funds and assets of the Association shall at all times be maintained separately from the funds and assets of the Holding Company or any of its other subsidiaries and may be used solely by the Association to carry out its purposes and to fulfill its obligations.

''(ii) The Association shall maintain books and records that clearly reflect the assets and liabilities of the Association, separate from the assets and liabilities of the Holding Company or any of its other subsidiaries.

''(iii) The Association shall maintain a corporate office that is physically separate from any office of the Holding Company or any of its subsidiaries.

''(iv) No director of the Association that is appointed by the President pursuant to section 439(c)(1)(A) may serve as a director of the Holding Company.

''(v) At least one officer of the Association shall remain an officer solely of the Association.

''(vi) Transactions between the Association and the Holding Company or its other subsidiaries, including any loan servicing arrangements, shall be on terms no less favorable to the Association than the Association could obtain from an unrelated third party offering comparable services.

''(vii) The Association shall not extend credit to the Holding Company or any of its affiliates, nor guarantee or provide any credit enhancement to any debt obligations of the Holding Company or any of its affiliates.

''(viii) Any amounts collected on behalf of the Association by the Holding Company or any of its other subsidiaries with respect to the assets of the Association, pursuant to a servicing contract or other arrangement between the Association and the Holding Company or any of its other direct or indirect subsidiaries, shall be collected solely for the benefit of the Association and shall be immediately deposited by the Holding Company or such other subsidiary to an account under the sole control of the Association.

''(C) ENCUMBRANCE OF ASSETS.—Notwithstanding any otherwise applicable Federal or State law, rule, or regulation, or legal or equitable principle, doctrine, or theory to the contrary, under no circumstances shall the assets of the Association be available or used to pay claims or debts of or incurred by the Holding Company. Nothing in this subparagraph shall limit the right of the Association to pay dividends not otherwise prohibited hereunder or limit any liability of the Holding Company explicitly provided for in this part.

''(D) HOLDING COMPANY ACTIVITIES.—After the reorganization effective date and prior to the dissolution of the Association in accordance with section 440(d), Holding Company activities shall be limited to ownership of the Association and any other subsidiaries. All business activities shall be conducted through subsidiaries.

''(9) ASSOCIATION BOARD OF DIRECTORS.—Notwithstanding any other provision of part B of this title, after the reorganization effective date, the 14 directors of the Association elected by the Association's stockholders (which immediately after the reorganization effective date shall be the Holding Company) shall no longer be required to meet the eligibility requirements set forth in section 439(c).

''(10) ISSUANCE OF STOCK WARRANTS.—At the reorganization effective date, the Holding Company shall issue to the Secretary of the Treasury 200,000 stock warrants, each entitling the holder of the stock warrant to purchase from the Holding Company one share of the registered common stock of the Holding Company at any time on or before September 30, 2007. The exercise price for such warrants shall be an amount equal to the average closing price of the common stock of the Association for the 20 business days prior

to and including the date of enactment of this section on the exchange or market which is then the primary exchange or market for the common stock of the Association, subject to any adjustments necessary to reflect the conversion of Association common stock into Holding Company common stock as part of the plan of reorganization approved by the Association's shareholders.

''(11) RESTRICTIONS ON TRANSFER OF ASSOCIATION SHARES AND BANKRUPTCY OF ASSOCIATION.—After the reorganization effective date, the Holding Company shall not sell, pledge, or otherwise transfer the outstanding shares of the Association, or agree to or cause the liquidation of the Association or cause the Association to file a petition for bankruptcy under title 11, United States Code, without prior approval of the Secretary of the Treasury and the Secretary of Education.

''(d) TERMINATION OF THE ASSOCIATION.—The Association shall dissolve, and its separate existence shall terminate on September 30, 2007, after discharge of all outstanding debt obligations and liquidation pursuant to this subsection. The Association may dissolve pursuant to this subsection prior to such date by notifying the Secretary of Education and the Secretary of the Treasury of its intention to dissolve, unless within 60 days of receipt of such notice the Secretary of Education notifies the Association that it continues to be needed to serve as a lender of last resort pursuant to section 439(q) of this Act or continues to be needed to purchase loans under an agreement with the Secretary described in subsection (c)(6) of this section. On the dissolution date, the Association shall take the following actions:

''(1) ESTABLISHMENT OF A TRUST.—The Association shall, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Secretary of the Treasury, the Association and the appointed trustee, irrevocably transfer all remaining obligations of the Association to the trust and irrevocably deposit or cause to be deposited into such trust, to be held as trust funds solely for the benefit of holders of the remaining obligations, money or direct noncallable obligations of the United States of America or any agency thereof for which payment the full faith and credit of the United States is pledged, maturing as to principal and interest in such amounts and at such times as are determined by the Secretary of the Treasury to be sufficient, without consideration of any significant reinvestment of such interest, to pay the principal of, and interest on, the remaining obligations in accordance with their terms. To the extent the Association cannot provide money or qualifying obligations in the amount required, the Holding Company shall be required to transfer money or qualifying obligations to the trust in the amount necessary to prevent any deficiency.

''(2) USE OF TRUST ASSETS.—All money, obligations, or financial assets deposited into the trust pursuant to this subsection shall be applied by the trustee to the payment of the remaining obligations assumed by the trust. Upon the fulfillment of the trustee's duties under the trust, any remaining assets of the trust shall be transferred to the Holding Company or its subsidiaries, or both, as directed by the Holding Company.

''(3) OBLIGATIONS NOT TRANSFERRED TO THE TRUST.—The Association shall make proper provision for all other obligations of the Association, including the repurchase or redemption, or the making of proper provision for the repurchase or redemption, of any preferred stock of the Association then outstanding. Any obligations of the Association which cannot be fully satisfied shall become liabilities of the Holding Company as of the date of dissolution.

''(4) TRANSFER OF REMAINING ASSETS.—After compliance with paragraphs (1), and (3), the Association shall transfer to the Holding Company any remaining assets of the Association.

''(e) OPERATION OF THE HOLDING COMPANY.—

''(1) HOLDING COMPANY BOARD OF DIRECTORS.—The number and composition of the Board of Directors of the Holding Company shall be determined as set forth in the Holding Company's charter or like instrument (as amended from time to time) or bylaws (as amended from time to time) and as permissible under the laws of the jurisdiction of its incorporation.

''(2) HOLDING COMPANY NAME.—The names of the Holding Company and any subsidiary of the Holding Company other than the Association—

''(A) may not contain the name 'Student Loan Marketing Association'; and

''(B) may contain, to the extent permitted by applicable State or District of Columbia law, 'Sallie Mae', or variations thereof or such other names as the Board of Directors of the Association of the Holding Company shall deem appropriate.

''(3) USE OF SALLIE MAE NAME.—Without limiting paragraph (2), the Association may assign to the Holding Company, or any other subsidiary of the Holding Company, the 'Sallie Mae' name as a trademark and service mark, except that neither the Holding Company nor any subsidiary of the Holding Company other than the Association or a subsidiary of the Association may use the 'Sallie Mae' name on, or to identify the issuer of, any debt obligation or other security offered or sold by the Holding Company or any such subsidiary. The Association shall remit to the Secretary of Treasury $5,000,000 during fiscal year 1996 as compensation for the right to assign such trademark or service mark.

''(4) DISCLOSURE REQUIRED.—Until 3 years after the dissolution date, the Holding Company, and any subsidiary of the Holding Company other than the Association, shall prominently display—

''(A) in any document offering its securities, that the obligations of the Holding Company and any such subsidiary are not guaranteed by the full faith and credit of the United States; and

''(B) in any advertisement or promotional materials which use the 'Sallie Mae' name or mark, a statement that neither the Holding Company nor any such subsidiary is a Government-sponsored enterprise or instrumentality of the United States.

''(f) STRICT CONSTRUCTION.—Except as specifically set forth in this section, nothing contained in this section shall be construed to limit the authority of the Association as a federally chartered corporation, or of the Holding Company as a State or District of Columbia chartered corporation.

''(g) RIGHT TO ENFORCE.—The Secretary of Education or the Secretary of the Treasury, as appropriate, may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for the enforcement of any provisions of this section, or may, under the direction or control of the Attorney General, bring such an action. Such court shall have jurisdiction and power to order and require compliance with this section.

''(h) DEADLINE FOR REORGANIZATION EFFECTIVE DATE.—This section shall be of no further force and effect in the event that the reorganization effective date does not occur on or before 18 months after the date of enactment of this section.

''(i) DEFINITIONS.—For purposes of this section:

''(1) The term 'Association' means the Student Loan Marketing Association.

''(2) The term 'dissolution date' shall mean September 30, 2007, or such earlier date as the Secretary of Education permits the transfer of remaining obligations in accordance with subsection (d) of this section.

''(3) The term 'reorganization effective date' means the effective date of the reorganization as determined by the Board of Directors of the Association, which shall not be earlier than the date that stockholder approval is obtained pursuant to subsection (b) of this section and shall not be later than the date that is 18 months after the date of enactment of this section.

''(4) The term 'Holding Company' means the new business corporation formed pursuant to this section by the Association under the laws of any State of the United States or the District of Columbia.

''(5) The term 'remaining obligations' shall mean the debt obligations of the Association outstanding as of the dissolution date.

''(6) The term 'remaining property' shall mean the following assets and liabilities of the Association which are outstanding as of the reorganization effective date: (A) debt obligations issued by the Association, (B) contracts relating to interest rate, currency, or commodity positions or protections, (C) investment securities owned by the Association, (D) any instruments, assets, or agreements described in section 439(d) of this Act (including without limitation all student loans, forward purchase and lending commitments, warehousing advances, academic facilities obligations, letters of credit, standby bond purchase agreements, liquidity agreements, and student loan revenue bonds or other loans), and (E) except as specifically prohibited by this Act, any other nonmaterial assets or liabilities of the Association which the Association's Board of Directors determines to be necessary or appropriate to its operations.

''(7) The term 'reorganization' means the restructuring event or events (including any merger event) giving effect to the holding company structure described in subsection (a) of this section.

''(8) The term 'subsidiary' or 'subsidiaries' shall mean one or more direct or indirect subsidiaries of the Holding Company.''.

(b) TECHNICAL AMENDMENTS.—

(1) AMENDMENTS TO THE HIGHER EDUCATION ACT.—Effective on the reorganization effective date (as defined in section 440(h)(3) of the Higher Education Act of 1965, as added by subsection (a))—

(A) section 435(d)(1)(F) of such Act (20 U.S.C. 1085(d)(1)(F)) is amended by inserting after ''Student Loan Marketing Association'' the following: ''or the Holding Company of the Student Loan Marketing Association, including all subsidiaries of such Holding Company, created pursuant to section 440 of this Act,''; and

(B) sections 435(d)(1)(G) and 428C(a)(1)(A) of such Act (20 U.S.C. 1085(d)(1)(G); 1078–3(a)(1)(A)) are each amended by inserting after ''Student Loan Marketing Association'' the following: ''or the Holding Company of the Student Loan Marketing Association, including all subsidiaries of such Holding Company, created pursuant to section 440 of this Act''.

(2) ENFORCEMENT OF SAFETY AND SOUNDNESS REQUIREMENTS.—Section 439(r) of the Higher Education Act of 1965 (20 U.S.C. 1087–2(r)) is amended—

(A) by redesignating paragraph (13) as paragraph (15); and

(B) by inserting after paragraph (12) the following new paragraph:

''(13) ENFORCEMENT OF SAFETY AND SOUNDNESS REQUIREMENTS.—The Secretary of Education or the Secretary of the Treasury, as appropriate, may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for the enforcement of any provisions of this subsection, or may, under the direction or control of the Attorney General, bring such an action. Such court shall have jurisdiction and power to order and require compliance with this subsection.''.

(3) CAPITAL RATIO AMENDMENTS.—Section 439(r) of the Higher Education Act of 1965 is further amended—

(A) in paragraph (1)—

(i) by striking ''and'' at the end of subparagraph (A);

(ii) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

(iii) by adding at the end the following new subparagraph:

''(C) within 45 days of the end of each fiscal quarter, (i) financial statements of the Association, and (ii) a report setting forth the calculation of the capital ratio of the Association.'';

(B) in paragraph (11), by striking ''paragraphs (4) and (6)(A)'' and inserting ''paragraphs (4), (6)(A), and (14)''; and

(C) by inserting after paragraph (13) (as added by paragraph (2) of this subsection) the following new paragraph:

''(14) ACTIONS BY SECRETARY.—If the shareholders of the Association shall have approved a reorganization plan in accordance with section 440(b) and, for any fiscal quarter ended after January 1, 2000, the Association shall have a capital ratio of less than 2.25 percent, the Secretary of the Treasury may, until such capital ratio is met, take any one or more of the actions described in paragraph (7), except that—

''(A) the capital ratio to be restored pursuant to paragraph (7)(D) shall be 2.25 percent; and

''(B) if the relevant capital ratio is in excess of or equal to 2 percent for such quarter, the Secretary of the Treasury shall defer taking any of the actions set forth in paragraph (7) until the next succeeding quarter and may then proceed with any such action only if the capital ratio of the Association remains below 2.25 percent.

Upon approval by the shareholders of the Association of a reorganization plan in accordance with section 440(b) for any period after January 1, 2000, the provisions of paragraphs (4), (5), (6), (8), (9), and (10) shall be of no further application to the Association.''.

(4) REPEAL OF THE ASSOCIATION'S CHARTER.—Effective on the dissolution date (as defined in section 440(h)(2) of the Higher Education Act of 1965, as added by subsection (a)), section 439 of such Act (20 U.S.C. 1087–2) is repealed.

SEC. 602. PRIVATIZATION OF COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION.

(a) REPEAL OF STATUTORY RESTRICTIONS.—Part D of title VII of the Higher Education Act of 1965 (20 U.S.C. 1132f et seq.) is repealed.

(b) STATUS OF THE CORPORATION.—

(1) STATUS OF THE CORPORATION.—The Corporation shall not be an agency, instrumentality, or establishment of the United States Government and shall not be a ''Government corporation'' nor a ''Government controlled corporation'' as defined in section 103 of title 5, United States Code. No action under section 1491 of title 28, United States Code (commonly known as the Tucker Act) shall be allowable against the United States based on the actions of the Corporation.

(2) CORPORATE POWERS.—The Corporation shall have the power to engage in any business or other activities for which corporations may be organized under the laws of any State of the United States or the District of Columbia. The Corporation shall have the power to enter into contracts, to execute instruments, to incur liabilities, to provide products and services, and to do all things as are necessary or incidental to the proper management of its affairs and the efficient operation of a private, for-profit business.

(c) RELATED PRIVATIZATION REQUIREMENTS.—

(1) NOTICE REQUIREMENTS.—During the 5-year period following the date of the enactment of this Act, the Corporation shall include in any document offering the Corporation's securities, in any contracts for insurance, guarantee, or reinsurance of obligations, and in any advertisement or promotional material, a statement that—

(A) the Corporation is not a Government-sponsored enterprise or instrumentality of the United States; and

(B) the Corporation's obligations are not guaranteed by the full faith and credit of the United States.

(2) CORPORATE CHARTER.—The Corporation's charter shall be amended as necessary and without delay to conform the requirements of this Act.

(3) CORPORATE NAME.—The name of the Corporation, or of any direct or indirect subsidiary thereof, may not contain the term ''College Construction Loan Insurance Association''.

(4) ARTICLES OF INCORPORATION.—The Corporation shall amend its articles of incorporation without delay to reflect that one of the purposes of the Corporation shall be to guarantee, insure and reinsure bonds, leases, and other evidences of debt of educational institutions, including Historically Black Colleges and Universities and other academic institutions which are ranked in the lower investment grade category using a nationally recognized credit rating system.

(5) TRANSITION REQUIREMENTS.—

(A) REQUIREMENTS UNTIL STOCK SALE.—Notwithstanding subsection (a), the requirements of section 754 of the Higher Education Act of 1965 (20 U.S.C. 1132f–3), as in existence as of the day before enactment of this Act, shall continue to be effective until the day immediately following the date of closing of the purchase of the Secretary's stock (or the date of closing of the final purchase, in the case of multiple transactions) pursuant to subsection (d) of this section.

(B) REPORTS AFTER STOCK SALE.—The Corporation shall, not later than March 30 of the first full calendar year immediately following the sale pursuant to subsection (d), and each of the 2 succeeding years, submit to the Secretary of Education a report describing the Corporation's efforts to assist in the financing of education facilities projects, including projects for elementary, secondary, and postsecondary educational institution infrastructure, and detailing, on a project-by-project basis, the Corporation's business dealings with educational institutions that are rated by a nationally recognized statistical rating organization at or below the organization's third highest ratings.

(d) SALE OF FEDERALLY OWNED STOCK.—

(1) SALE OF STOCK REQUIRED.—The Secretary of the Treasury shall, upon the request of the Secretary of Education make every effort to sell, pursuant to section 324 of title 31, United States Code, the voting common stock of the Corporation owned by the Secretary of Education not later than one year after the date of the enactment of this Act.

(2) PURCHASE BY THE CORPORATION.—In the event that the Secretary of the Treasury is unable to sell the voting common stock, or any portion thereof, at a price acceptable to the Secretary of Education and the Secretary of the Treasury within the period specified in paragraph (1), the Corporation shall purchase such stock at a price determined by the Secretary of the Treasury and acceptable to the Corporation based on independent appraisal by one or more nationally recognized financial firms. Such firms shall be selected by the Secretary of the Treasury in consultation with the Secretary of Education and the Corporation.

(e) ASSISTANCE BY THE CORPORATION.—The Corporation shall provide such assistance as the Secretary of the Treasury and the Secretary of Education may require to facilitate the sale of the stock under this section.

(f) DEFINITION.—As used in this section, the term ''Corporation'' means the Corporation established pursuant to the provision of law repealed by subsection (a).

TITLE VII—REPEALERS AND OTHER AMENDMENTS

SEC. 701. HIGHER EDUCATION PROVISIONS.

(a) HIGHER EDUCATION ACT OF 1965 PROVISIONS.—The following provisions of the Higher Education Act of 1965 are repealed:

(1) Part B of title I (20 U.S.C. 1011 et seq.), relating to articulation agreements.

(2) Part C of title I (20 U.S.C. 1015 et seq.), relating to access and equity to education for all Americans through telecommunications.

(3) Title II (20 U.S.C. 1021 et seq.), relating to academic libraries and information services.

(4) Chapter 2 of subpart 2 of part A of title IV (20 U.S.C. 1070a–21 et seq.), relating to national early intervention scholarships.

(5) Chapter 3 of subpart 2 of part A of title IV (20 U.S.C. 1070a–31 et seq.), relating to presidential access scholarships.

(6) Chapter 4 of subpart 2 of part A of title IV (20 U.S.C. 1070a–41 et seq.), relating to model program community partnerships and counseling grants.

(7) Chapter 5 of subpart 2 of part A of title IV (20 U.S.C. 1070a–52 et seq.), relating to an early awareness information program.

(8) Chapter 8 of subpart 2 of part A of title IV (20 U.S.C. 1070a–81), relating to technical assistance for teachers and counselors.

(9) Subpart 8 of part A of title IV (20 U.S.C. 1070f), relating to special child care services for disadvantaged college students.

(10) Section 428J (20 U.S.C. 1078–10), relating to loan forgiveness for teachers, individuals performing national community service and nurses.

(11) Section 486 (20 U.S.C. 1093), relating to training in financial aid services.

(12) Subpart 1 of part H of title IV (20 U.S.C. 1099a et seq.) relating to State postsecondary review entity programs.

(13) Part A of title V (20 U.S.C. 1102 et seq.), relating to State and local programs for teacher excellence.

(14) Part B of title V (20 U.S.C. 1103 et seq.), relating to national teacher academies.

(15) Subpart 1 of part C of title V (20 U.S.C. 1104 et seq.), relating to Douglas teacher scholarships.

(16) Subpart 3 of part C of title V (20 U.S.C. 1106 et seq.), relating to the teacher corps.

(17) Subpart 3 of part D of title V (20 U.S.C. 1109 et seq.), relating to class size demonstration grants.

(18) Subpart 4 of part D of title V (20 U.S.C. 1110 et seq.), relating to middle school teaching demonstration programs.

(19) Subpart 1 of part E of title V (20 U.S.C. 1111 et seq.), relating to new teaching careers.

(20) Subpart 1 of part F of title V (20 U.S.C. 1113 et seq.), relating to the national mini corps programs.

(21) Section 586 (20 U.S.C. 1114), relating to demonstration grants for critical language and area studies.

(22) Section 587 (20 U.S.C. 1114a), relating to development of foreign languages and cultures instructional materials.

(23) Subpart 3 of part F of title V (20 U.S.C. 1115), relating to small State teaching initiatives.

(24) Subpart 4 of part F of title V (20 U.S.C. 1116), relating to faculty development grants.

(25) Section 597 and section 599(b) (20 U.S.C. 1117a, 1117c(b)), relating to early childhood staff training and professional enhancement.

(26) Section 605 (20 U.S.C. 1124a), relating to intensive summer language institutes.

(27) Section 607 (20 U.S.C. 1125a), relating to foreign language periodicals.

(28) Part A of title VII (20 U.S.C. 11326 et seq.), relating to academic and library facilities.

(29) Title VIII (20 U.S.C. 1133 et seq.), relating to cooperative education programs.

(30) Part A of title IX (20 U.S.C. 1134a et seq.), relating to women and minority participation in graduate education.

(31) Part B of title IX (20 U.S.C. 1134d et seq.), relating to Harris fellowships.

(32) Part C of title IX (20 U.S.C. 1134h et seq.), relating to Javits fellowships.

(33) Part E of title IX (20 U.S.C. 1134r et seq.), relating to the faculty development fellowship program.

(34) Part F of title IX (20 U.S.C. 1134s et seq.), relating to legal training for the disadvantaged.

(35) Part G of title IX (20 U.S.C. 1134u et seq.), relating to law school clinical programs.

(36) Section 1011 (20 U.S.C. 1135a–11), relating to special projects in areas of national need.

(37) Subpart 2 of part B of title X (20 U.S.C. 1135c et seq.), relating to science and engineering access programs.

(38) Part C of title X (20 U.S.C. 1135e et seq.), relating to women and minorities science and engineering outreach demonstration programs.

(39) Part D of title X (20 U.S.C. 1135f), relating to Eisenhower leadership programs.

(40) Title XI (20 U.S.C. 1136 et seq.), relating to community service programs.

(b) EDUCATION AMENDMENTS OF 1986 PROVISIONS.—The following provisions of the Higher Education Amendments of 1986 are repealed:

(1) Part E of title XIII (20 U.S.C. 1221–1 note), relating to a National Academy of Science study.

(2) Part B of title XV (20 U.S.C. 4441 et seq.), relating to Native Hawaiian culture and art development.

(c) EDUCATION AMENDMENTS OF 1992 PROVISIONS.—The following provisions of the Higher Education Amendments of 1992 are repealed:

(1) Part F of title XIII (25 U.S.C. 3351 et seq.), relating to American Indian postsecondary economic development scholarships.

(2) Part G of title XIII (25 U.S.C. 3371), relating to American Indian teacher training.

(3) Section 1406 (20 U.S.C. 1221e–1 note), relating to a national survey of factors associated with participation.

(4) Section 1409 (20 U.S.C. 1132a note), relating to a study of environmental hazards in institutions of higher education.

(5) Section 1412 (20 U.S.C. 1101 note), relating to a national job bank for teacher recruitment.

(6) Part B of title XV (20 U.S.C. 1452 note), relating to a national clearinghouse for postsecondary education materials.

(7) Part C of title XV (20 U.S.C. 1101 note), relating to school-based decisionmakers.

(8) Part D of title XV (20 U.S.C. 1145h note), relating to grants for sexual offenses education.

(9) Part E of title XV (20 U.S.C. 1070 note), relating to Olympic scholarships.

(10) Part G of title XV (20 U.S.C. 1070a–11 note), relating to advanced placement fee payment programs.

(d) CONFORMING AMENDMENTS.—the Higher Education Act of 1965 is amended—

(1) in section 453(c)(2)—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (E) through (G), respectively;

(2) in section 487(a)(3), by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(3) in section 487(a)(15), by striking ''the Secretary of Veterans Affairs, and State review entities under subpart 1 of part H'' and inserting ''and the Secretary of Veterans Affairs'';

(4) in section 487(a)(21), by striking '', State postsecondary review entities,'';

(5) in section 487(c)(1)(A)(i), by striking ''State agencies, and the State review entities referred to in subpart 1 of part H'' and inserting ''and State agencies'';

(6) in section 487(c)(4), by striking '', after consultation with each State review entity designated under subpart 1 of part H,'';

(7) in section 487(c)(5), by striking ''State review entities designated under subpart 1 of part H,'';

(8) in section 496(a)(7), by striking ''and the appropriate State postsecondary review entity'';

(9) in section 496(a)(8), by striking ''and the State postsecondary review entity of the State in which the institution of higher education is located'';

(10) in section 498(g)(2), by striking everything after the first sentence;

(11) in section 498A(a)(2)(D), by striking ''by the appropriate State postsecondary review entity designated under subpart 1 of this part or'';

(12) in section 498A(a)(2)—

(A) by inserting ''and'' after the semicolon at the end of subparagraph (E);

(B) by striking subparagraph (F); and

(C) by redesignating subparagraph (G) as subparagraph (F); and

(13) in section 498A(a)(3)—

(A) by inserting ''and'' after the semicolon at the end of subparagraph (C);

(B) by striking ''; and'' at the end of subparagraph (D) and inserting a period; and

(C) by striking subparagraph (E).

SEC. 702. ELIGIBLE INSTITUTION.

(a) AMENDMENTS.—Section 481(b) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)) is amended—

(1) by inserting before the period at the end of the first sentence the following: ''on the basis of a review by the institution's independent auditor using generally accepted accounting principles'';

(2) by inserting after the end of such first sentence the following new sentences: ''For the purposes of clause (6), revenues from sources that are not derived from funds provided under this title include revenues from programs of education or training that do not meet the definition of an eligible program in subsection (e), but are provided on a contractual basis under Federal, State, or local training programs, or to business and industry. For the purposes of determining whether an institution meets the requirements of clause (6), the Secretary shall not consider the financial information of any institution for a fiscal year began on or before April 30, 1994.''.

(b) EFFECTIVE DATE.—Notwithstanding section 713 of this Act, the amendments made by subsection (a) shall apply to any determination made on or after July 1, 1994, by the Secretary of Education pursuant to section 481(b)(6) of the Higher Education Act of 1965.

SEC. 703. CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.

The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is repealed.

SEC. 704. SMITH-HUGHES ACT.

(a) REPEAL.—The Smith-Hughes Act (39 Stat. 929 as amended (20 U.S.C. 11–15, 16–28)) is repealed.

(b) EFFECTIVE DATE.—Notwithstanding section 713 of this Act, the repeal in subsection (a) of this section shall take effect on October 1, 1995.

SEC. 705. SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.

The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) is repealed.

SEC. 706. SCHOOL DROPOUT ASSISTANCE ACT.

The School Dropout Assistance Act, (part C of title V of the Elementary and Secondary Education Act (20 U.S.C. 7261)) is repealed.

SEC. 707. ADULT EDUCATION ACT.

(a) IN GENERAL.—The Adult Education Act (20 U.S.C. 1201 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) ESEA.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(A) in section 1202(c)(1), by striking ''the Adult Education Act,'' and inserting ''title IV of the CAREERS Act,'';

(B) in section 1205(8)(B), by striking ''the Adult Education Act,'' and inserting ''title IV of the CAREERS Act,'';

(C) in section 1206(a)(1)(A), by striking ''the Adult Education Act;'' and inserting ''title IV of the CAREERS Act;''; and

(D) in section 9161(2), by striking ''section 312(2) of the Adult Education Act.'' and inserting ''section 5 of the CAREERS Act.''.

(2) TECHNOLOGY FOR EDUCATION ACT.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(1) by striking ''section 312 of the Adult Education Act;'' and inserting ''section 5 of the CAREERS Act;'';

SEC. 708. NATIONAL LITERACY ACT.

The National Literacy Act of 1991, except section 101 of such Act, is repealed.

SEC. 709. LIBRARY SERVICES AND CONSTRUCTION ACT.

(a) IN GENERAL.—The Library Services and Construction Act (20 U.S.C. 351 et seq.) is repealed.

(b) CONFORMING AMENDMENT.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(10) by striking ''section 3 of the Library Services and Construction Act;'' and inserting ''section 5 of the CAREERS Act;''.

SEC. 710. TECHNOLOGY FOR EDUCATION ACT OF 1994.

Part F of the Technology for Education Act of 1994 (contained in title III of the Elementary and Secondary Education Act (20 U.S.C. 7001 et seq.)) is repealed.

SEC. 711. JOB TRAINING PARTNERSHIP ACT.

(a) IN GENERAL.—The Job Training Partnership Act (29 U.S.C. 1501 et seq.), except section 1, sections 421 through 439 (relating to the Job Corps), and section 441 of such Act (relating to veterans' employment programs), is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) SHORT TITLE.—Section 1 of the Job Training Partnership Act (29 U.S.C. 1501, note) is amended—

(A) in the heading, by striking ''; TABLE OF CONTENTS''; and

(B) by striking all that follows after ''Job Training Partnership Act''.

(2) JOB CORPS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended—

(A) by redesignating sections 421 through 439 as sections 2 through 21, respectively;

(B) in section 2 (as redesignated), by striking ''part'' each place it appears and inserting ''Act'';

(C) in section 4(4) (as redesignated), by striking ''sections 424 and 425'' and inserting ''sections 5 and 6'';

(D) in section 5 (as redesignated)—

(i) in subsection (a), by striking ''entities administering programs under title II of this Act,''; and

(ii) in subsection (b), by striking ''part'' and inserting ''Act'';

(E) in section 7 (as redesignated)—

(i) in subsection (a), by striking ''section 428'' and inserting ''section 9''; and

(ii) by striking subsection (d);

(F) in section 8 (as redesignated)—

(i) by striking subsection (b); and

(ii) by redesignating subsection (c) as subsection (b);

(G) in section 14 (as redesignated)—

(i) in subsection (a)(4), by striking ''part'' and inserting ''Act'';

(ii) in subsection (c)(1), by striking ''and activities authorized under sections 452 and 453''; and

(iii) in subsection (e), by striking ''section 431'' and inserting ''section 12'';

(H) in section 15 (as redesignated)—

(i) in subsection (a)—

(I) in the matter preceding paragraph (1), by striking ''section 427'' and inserting ''section 8''; and

(II) in paragraph (4)(A), by striking ''section 428'' and inserting ''section 9'';

(ii) in subsection (c)(3), by striking ''section 423'' and inserting ''section 4'';

(iii) in subsection (d), by striking ''sections 424 and 425'' and inserting ''sections 5 and 6''; and

(iv) in subsection (e), by striking '', pursuant to section 452(d),'';

(I) in section 17 (as redesignated), by striking ''purpose of this part'' each place it appears and inserting ''purpose of this Act'';

(J) in section 20 (as redesignated), by striking ''part'' each place it appears and inserting ''Act''; and

(K) in section 21 (as redesignated), by striking ''part'' and inserting ''Act''.

(3) VETERANS' EMPLOYMENT PROGRAMS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended—

(A) by redesignating section 441 as section 22;

(B) by striking the heading of such section 22 (as redesignated), and inserting the following:

''VETERANS' EMPLOYMENT PROGRAMS''; and

(C) in such section 22, by striking ''part'' each place it appears and inserting ''section''.

(4) AUTHORIZATION OF APPROPRIATIONS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended by adding at the end the following new section:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 23. There are authorized to be appropriated such sums as are necessary to carry out this Act.''.

SEC. 712. STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.

(a) ADULT EDUCATION.—

(1) IN GENERAL.—Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.) is repealed.

(2) TABLE OF CONTENTS.—The table of contents of such Act is amended by striking the items relating to subtitle A of title VII of such Act.

(b) SUBTITLE C.—

(1) IN GENERAL.—Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.), except section 738, is hereby repealed.

(2) TABLE OF CONTENTS.—The table of contents of such Act is amended—

(A) by striking the item relating to subtitle C of title VII of such Act; and

(B) by striking the items relating to sections 731 through 737 and sections 739 through 741.

SEC. 713. EFFECTIVE DATE.

The repeals and amendments made by this Act shall take effect on July 1, 1997, except for amendments to the Rehabilitation Act of 1973.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 1: Strike sections 102 and 103.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 2: Strike ''August 1, 1997'' each time it appears in sections 102 and 103 and insert in lieu thereof ''November 12, 1996''.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 3: Strike section 348 and renumber the subsequent sections accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 4: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''65 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause(2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 5: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''75 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 6: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''85 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 7: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''96 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 8: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''105 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 9: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''115 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 10: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''125 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 11: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''135 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 12: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''145 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''. Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 13: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''155 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''.

Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 14: Strike section 348 and insert in lieu thereof the following:

SEC. 348. NATIONAL MAXIMUM SPEED LIMIT.

Section 154(a) of title 23, United States Code, is amended—

(1) by striking ''fifty-five miles'' the first place it appears and all that follows through ''or (4)'' and inserting ''165 miles per hour, or (2)''; and

(2) by striking ''Clause (4)'' and inserting ''Clause (2)''.

Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 15: Strike section 351 and renumber the subsequent sections accordingly.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 16: Strike section 351(a)(5).

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 17: In section 351(c) strike ''the safety of commercial motor vehicles'' each time it appears and insert in lieu thereof '', either the safety of commercial motor vehicles, their operators or the public''.

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Senate

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, whose attributes are both majestic and manifold, we thank You most of all today for Your omnipresence and omniscience. It is a comfort and a challenge to realize that You are not only everywhere but You know everything. There is no place we can escape You, but also, no place devoid of Your potential grace and guidance. You know what we are facing with each person and each problem today. That means everything to us. We are not alone. You are with us. And because You know the complexities ahead of us throughout the day, You can give us what we need to be faithful to You and to live out our convictions. In this assurance we commit to You whatever causes us anxiety or frustration. Grant us Your vision and give us Your power. Think, speak, act through us. You provide the day; You show the way; Your love and patience in us display. In our Lord's name. Amen.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m., with 45 minutes to be under the control of the Senator from West Virginia [Mr. BYRD].

The able Senator from West Virginia is recognized.

THE CHAPLAIN'S PRAYER

Mr. BYRD. Mr. President, I thank the venerable Chair. I also thank our Chaplain for his prayer, reminding us of our insignificance and of the majestic greatness and love of an omnipotent, omnipresent, and omniscient God and of our Lord and Savior, Jesus Christ, who gave his life as a ransom for many.

DERAIL THE FEDERAL TRAIN WRECK

Mr. BYRD. Mr. President, over the past number of weeks, we have witnessed a great deal of saber-rattling and speculation over the question of whether Congress and the President can avoid a Government shutdown, called, metaphorically, a train wreck, on October 1. That is the first day of fiscal year 1996, and is also the date by which all 13 of the 1996 appropriations bills are supposed to be enacted.

Failure to achieve enactment of any of the 13 appropriations bills by October 1 will cause a funding lapse for the departments and agencies covered by any such bill. The only way to avoid a funding lapse, and an accompanying shutdown of the affected departments and agencies, is for Congress and the President to enact a short-term extension of funding authority, which is commonly known as a continuing resolution.

It is never easy to enact all 13 annual appropriations bills by the beginning of a fiscal year. In fact, only once in over 20 years have all 13 appropriations bills been signed into law prior to the beginning of the fiscal year. That year was fiscal year 1995. For every other year in the last several decades it has been necessary to enact a continuing resolution in order to enable the departments and agencies of the Federal Government to continue to carry out their responsibilities in the absence of appropriations acts. In most instances, those continuing resolutions have been of short duration and were enacted with little or no controversy.

Mr. President, given that history, I see no earthly reason for a so-called train wreck. There is certainly nothing to be gained politically by either side of the aisle or by the administration by such a catastrophe. In fact, it is far more likely that the American people will see such a train wreck as merely a game of high stakes poker played by politicians using public money to make their bets. The American people will rightly see through the political ''blame game'' that will accompany the so-called train wreck. They will ask themselves why they should have to pay the tab for the game of chicken being played by their elected officials—who, by the way, will continue to be paid their full salaries were there to be a Government shutdown.

Furloughed Federal workers by the hundreds of thousands will not be paid, nor will those who do contract work for the Federal Government. But, the President, and Senators, and Members of the House of Representatives, will still receive their full paychecks, no matter how long the shutdown lasts. Be assured, Senators, that that situation will not make any of us dearly beloved by our constituents.

Mr. President, we are told by the General Accounting Office, in its June 1991 report entitled ''Government Shutdown'' that there were nine occasions over the period from October 1981 through October 1990 when there were funding gaps of 1 to 3 days. In other words, we had nine short periods, usually over weekends when there were lapses of appropriations. This same GAO report analyzes the effects of the last of these nine funding lapses; namely, Columbus Day weekend of 1990, or October 6–8, 1990. The report points out

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

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that on October 5, 1990, Federal agencies were directed by the Office of Management and Budget to implement plans to close down operations over the Columbus Day weekend (October 6–8, 1990). This action was the result of President Bush's veto of a continuing resolution that would have provided funding through October 12, 1990, and was a reflection of the President's dissatisfaction with progress on the fiscal year 1991 budget.

According to GAO, on page 2 of the report: ''The shutdown of some government agencies over the Columbus Day weekend was financially counterproductive.'' Overall, the shutdown costs of seven affected agencies totaled $3.4 million. However, these costs would have been much higher if a 3-day shutdown had occurred during a normal workweek. GAO states that ''the total cost of such a 3-day workweek shutdown would range from about $244.6 million to $607.3 million, depending upon whether revenues estimated to be lost by the IRS could be recovered.'' That is a lot of money that will be wasted—at least $250 million every 3 workdays if we cause a Government shutdown on October 1. This is a very expensive way to prove once and for all to the American people that the Government cannot perform even its basic responsibilities. No wonder one hears so much talk about throwing the whole lot of us out of office!

There is of course still time to complete action on all 13 appropriations bills by the end of the month. We have already passed 7 of the 13 bills and all of the remaining bills will be ready for Senate consideration this week, or certainly by the end of the week.

There are a number of these bills which the President has threatened to veto unless substantial changes are made to them. There are legitimate differences, which, after reasonable debate, should, in my opinion, be resolved one way or the other. We need to vote these amendments up or down and get these remaining bills to conference, and to the President's desk. If he chooses to veto some of them, as I believe he will, then it is all the more important for Congress to get its work done on time so as to allow for further negotiations on any bills which are vetoed and not overridden.

If Congress cannot complete action on all 13 appropriation conferences by October 1, there is still no excuse for a train wreck. Surely the American people have a right to expect Congress and the Chief Executive to be able to work out a continuing resolution which will prevent a Government shutdown while negotiations take place as necessary to achieve the enactment of all 13 fiscal year 1996 appropriations bills. I believe we can avoid a Government shutdown. All it really will take to do so is for both political parties to decide that they wish to avoid it. We are not on some preordained collision course. We are not controlled by some automatic pilot device which has the two political parties careening down intersecting tracks destined to collide. Those of us charged with carrying out the responsibilities of elective office have the will and the wit to avoid such nightmarish scenarios if we simply choose to do so. All it takes is for all the players on both ends of the avenue to stop the gamesmanship and go reread their oath of office.

This is not some partisan polo match we are engaged in. We are gambling with the financial fortunes of a lot of real honest to goodness people who will suffer hardships if we remain intransigent and close down this Government. And, as I have already mentioned, there are very high, very real permanent costs to the U.S. Treasury if we choose such a course. I can think of no more irresponsible act by elected officials than to deliberately plot such a devastating scenario and then to actually carry it out. What will we be proving? Who can possibly win if such a mess comes to pass? No one will applaud our statesmanship or patriotism, that is for sure. And, we will have earned the wrath of the voters in 1996, who would be well justified in their belief that nothing has changed in Washington where it is gridlock and power plays as usual.

But, as if this is not enough, there is another far more serious train wreck that may be imminent—and that is the train wreck which could occur if Congress insists on putting the debt limit increase into the reconciliation bill. According to recent testimony by the Treasury Department before the Finance Committee, Treasury's current estimates show that the permanent debt ceiling of $4.9 trillion will be reached by late October or early November.

As Senators are aware, once that debt limit is reached, the Treasury Department has no authority to spend any cash that would cause the debt limit to be exceeded. A failure by Congress and the President to raise the debt limit would bring about, in a matter of days, one of the greatest financial crises the country has ever seen—probably the greatest in some ways. The Government would not be able to continue any of its operations. It could not honor Social Security checks or pay employees to issue them. The same applies to military and civilian and veterans' pensions. They would not be honored. Interest on U.S. Government securities could not be paid. All of this is coming up this fall unless we enact an increase in the debt limit, as called for in the Budget Resolution, and which the Treasury Department has told us will be necessary no later than mid-November.

According to the Congressional Budget Office, in its August 1995 report entitled ''The Economic and Budget Outlook,'' the debt limit has had to be raised 19 times over the last decade. That report also points out the obvious; namely, that raising the debt limit is considered ''must pass'' legislation. Paradoxically, because of its critical importance, passage of the debt limit is frequently viewed by some very misguided forces as a device to use to mandate action on some other legislative partisan goal. The debt limit is, therefore, the ultimate tool in the hands of the legislative blackmailers, the ultimate tool.

CBO gives the example of 1990, when Congress voted seven times on the debt limit between August 9 and November 5 in connection with the budget summit negotiations. In that instance, as I recall—I was there—the Congress and President Bush enacted a series of debt limit increases as progress was being made on the overall budget at the Budget Summit. Those debt limit increases were supported on a bipartisan basis in both Houses, and by President Bush, as we all worked day and night, and on Saturdays and Sundays, to resolve our differences on a 5-year deficit reduction package. That package ultimately was enacted into law in what is known as the Budget Enforcement Act.

Despite the fact that President Bush later expressed regret for his involvement in that Budget Summit Agreement, I believe that it made a number of very important improvements in the Budget Act, and it also cut the deficit projections at that time by almost $500 billion. But whatever one's view may be of the 1990 budget experience, one thing was clear. No one seriously talked about deliberately causing a default on our national debt in order to gain some political advantage by blaming the other political party for the calamity.

Yet, Mr. President, we are now facing a situation where, I understand, the majority party in Congress may choose to include the debt limit increase in the upcoming reconciliation bill. They see it as an opportunity to force the President to sign the reconciliation bill. They see it as a way of slamming several crazy, at least in my judgment, legislative ''losers'' into law—no matter how unwise or how untested those proposals may be. They view this devious and irresponsible tactic as a sure way to enact massive tax cuts, which mainly benefit high-income ''fat cats.''

Reports say the majority may be planning to put the debt limit increase into the reconciliation bill and then to ram that whole package through Congress without serious negotiations with the minority in Congress or with the President.

They are riding high in the saddle, Mr. President, but the worm is going to turn. It is just a matter of when. They are riding high in the saddle, but the worm is going to turn. That is exactly what will happen, if the majority can muster the votes in both Houses of Congress for their reconciliation bill. They have chosen the reconciliation bill because reconciliation bills cannot be filibustered. Neither can reconciliation conference reports. Reconciliation bills are intended to reduce the

deficit, and so they are privileged matters with exceedingly tight time limits. Therefore, what we may be facing in regards to reconciliation is a take-it-or-leave-it bill—one that largely contains everything the majority party espouses, and with little consideration, if any, of the views of either the President or the Democratic minority in Congress. That would mean huge cuts in Medicare—around $270 billion—huge tax cuts for the wealthy—$245 billion—folly on folly—and huge cuts in discretionary investments in our physical infrastructure, as well as cuts in such programs as education, job training, and medical research. The attitude is do it our way. Take our highly partisan agenda, just as we wrote it in that great so-called ''Contract With America'' or we will wreck the national economy, close down the Government, and threaten global financial disruption.

If the Republican majority can round up a majority of the House and Senate to vote for such a reconciliation bill, and if it also includes a debt limit increase, then the President, it would seem, would be in the impossible position of having to either swallow a bill that he has said he will veto and will deserve to be vetoed, or shooting down a ''must pass'' increase in the debt limit. This is just a deplorable way to govern. It is putting politics first. Politics is important. I have never considered it to be first, above everything else, and I do not so consider it now. It is irresponsible. It makes a mockery of our constitutional system and encourages chaos to reign.

If you think that Milton's ''Paradise Lost'' presented chaos, as Satan and his angels fell from Heaven, just wait and see what this will look like.

Mr. President, I urge my colleagues in the Senate, in the House, and in the administration not to go down this road. Despite the political enticement of being able to blackmail the President into signing a highly partisan version of a reconciliation bill, I submit that in reality there is absolutely no political advantage.

The people are going to say, a plague on both of our Houses.

Go back and read Chaucer's tale by the Pardoner, wherein all three of the young men destroyed themselves. Because of their greed for gain, two knifed the one while the one poisoned the two. And they all fell in excruciating pain on top of the pile of gold and died.

So there can be no winners in this game. The Democrats, the Republicans, and the President will all destroy ourselves because of our political greed for gain.

The American people will clearly understand what is going on. We cannot bamboozle them. They are onto our childish games. And they and the press will quickly be able to determine that the debt limit can easily be increased as a free-standing bill and that the majority party in Congress need not and should not try to gain advantage in the budget battles by risking a world class financial crisis.

Am I exaggerating? Am I engaging in hyperbole? Just what would be the consequences of not raising the debt limit? I predict that such a default on paying interest due on Government securities, for example, would cause an earthquake on Wall Street, one that would rattle your eye teeth and curl your hair, as someone has said upon one occasion.

A failure to raise the debt limit in a timely manner would have devastating effects on the standing of the United States in the international economy. Investor confidence in the dollar and in U.S. Government securities would plummet—plummet, sharply affecting domestic and international stock and bond markets. U.S. bonds and bills would never be ''risk free'' again. They would become ''government insecurities,'' not ''government securities.'' Uncle Sam would no longer be a pillar of financial rectitude, but would become a shady junk bond dealer on the international market. International investors, who hold billions and billions of U.S. dollars, would understandably look for safer havens—safer havens for their investments. Interest rates would increase—interest rates would be offered and would again entice these investors to buy U.S. Government securities. This would cost the United States more, and still might not ensure stability in our financial markets.

The United States would be the big loser, big loser, in the long term, facing permanently increased borrowing costs when the time came to roll over our debt. Interest rates on those loans, which are secured with Government bonds, would be raised, increasing, in turn, the costs to the taxpayer. The added costs of an increased interest rate on borrowing to finance the debt would have to be offset by reduced Government investments in people and in infrastructure programs which already feel the crunch of budget constraints designed to bring the budget into balance. This foolhardy posturing on raising the debt limit is being played out on a knife edge that is poised to cut the throat of the American taxpayer, who will suffer from increased costs and reduced Government services for years to come.

On the international security scene, a U.S. failure to increase the debt limit could also adversely affect U.S. military preparedness. If the men and women in our military are worried about their paychecks being honored, about paying their bills and feeding their families, how credible a deterrent can they be? This has very unsettling ramifications for U.S. military operations possibly in Iraq and North Korea. Should we stop firing Tomahawk cruise missiles—at a cost of $1.3 million per missile—at Bosnian air defense sites because we are not sure that we can afford to replace them in the inventory? Do we not send in costly reinforcements if Iraq makes threatening moves toward Jordan or Kuwait? Will defense contractors make timely deliveries of new weapons after the first payment check is not honored? Will the United States be able to honor its security agreements with other nations, when it cannot credibly be counted upon to follow through on, and to pay for, its own commitments? These are just a few of the possible effects of our failure to increase the debt limit and maintain faith in the security of U.S. Government financial commitments.

Now, whether my predictions will be correct will be known in November if we have not enacted a debt limit increase by then. This is so because in November, we are told by CBO, cash interest payments are due on Treasury instruments totaling around $25 billion. Treasury tells us that they will not have room under the present $4.9 trillion debt limit to pay that interest. We indeed, therefore, must pass a debt limit increase, or risk a real default on the payment of interest on Treasury instruments for the first time in our history.

That is what is at stake here along with the lack of cash to honor Social Security checks, or Government pensions, or veterans' pensions, or the paychecks of Government workers. Surely sane men and women will not choose to play a game of chicken of this horrific magnitude. We would be risking the entire economy. Where would the panic stop? Once it started, how could one turn off the total loss of faith in the ability of this Congress to responsibly carry out its work? Once that genie is out of the bottle, who can say where or when the damage will end? We are not talking about a mere metaphorical train wreck under this set of circumstances. We are talking about a nuclear explosion—a financial doomsday scenario that could make the Great Depression, in some respects at least, look more like a picnic in the park by comparison. And, thank God, I lived in that depression. I was 12 years old when the October 29 stock market crash took place. I remember what it was. And yet, we hear daily the trumpets of our leaders at both ends, both ends of Pennsylvania Avenue preparing us for the catastrophe, as though it was inevitable due to some unavoidable, locked-in, preprogrammed self-destruct device.

That will not wash, Mr. President. We are not dealing with a bomb which we cannot disarm. There is nothing inevitable or uncontrollable about it. We have every authority and power that we need to avoid a funding lapse at the beginning of this fiscal year and a debt limit crisis. We have always solved our political and policy differences in the past without risking serious permanent damage to our economy and to our very system of Government. All it takes is for us once, just once, to put the good of the country ahead of the partisan political advantage and the

good of political parties. All it takes is for us to stop wallowing in the intoxicating sweet smoke of rhetoric—in the intoxicating aura of power, and start trying to be what we all loudly claim to be: statesmen! All it takes is for us to sober up, put the cards down, and fold up this drunken poker game that has already progressed far too late into the evening. We need to pass the coffee, get the red out of our eyes, and try to remember why the people sent us here in the first place.

If the people have lost respect for public officials, spectacles such as the one now being touted as a train wreck are surely the reason why. If confidence in the Federal Government is failing, this type of power-induced insanity that views flirting with an economic collapse as good political strategy is certainly one reason why. If we try to publicly pretend that we cannot avoid such a fiscal crisis, we need never again scratch our heads and wonder why people do not trust and do not believe politicians. There need be no crisis unless irresponsible partisan-crazed politicians create one, and we all know it.

I am encouraged by the press accounts of the meeting that occurred earlier this week between President Clinton and congressional leaders, at which they apparently agreed to negotiate a short-term spending plan that would avoid an October 1 Government shutdown. That would address at least part of the problem. And if cooler heads prevail, surely we can, and surely we must, find a way to settle our very real and very serious budgetary and appropriations differences in the coming weeks, as we were elected to do, without fashioning deliberate train wrecks that would be devastating to this great country of ours. If we fail to do so, if November brings such unimaginable devastation to our country, I fear not for our sorry lot, for we politicians will get exactly what we deserve. I fear only for the American people who so wrongly invested their trust in us in the first place.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ASHCROFT). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

Mr. WELLSTONE. Mr. President, I object for the moment.

The PRESIDING OFFICER. Objection is heard.

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

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

OUR NATIONAL COMMITMENT TO DEPENDENT CHILDREN

Mr. MOYNIHAN. Mr. President, on this, the likely final day of the debate on the welfare reform measure before us, it is worth noting that in the lead story of the New York Times this morning, a story by Robin Toner, we read that ''the White House, exceedingly eager to support a law that promises to change the welfare system, was sending increasingly friendly signals about the bill.''

That is a bill that would repeal title IV–A of the Social Security Act of 1935 that provides aid to dependent children. It will be the first time in the history of the Nation that we have repealed a section of the Social Security Act. That the White House should be eager to support such a law is beyond my understanding, and certainly in 34 year's service in Washington, beyond my experience.

I regret it. I can only wish some who are involved in the White House or those in the administration, would know that they might well resign if they agree with the proposal that violates every principle they have asserted in their careers, honorable careers in public service.

I will state once again, we, yesterday, read Mr. Rahm Emanuel, a White House spokesman, saying the measure was coming along ''nicely.'' Today, we get the same message in a lead story in the Times. If this administration wishes to go down in history as one that abandoned, eagerly abandoned, the national commitment to dependent children, so be it. I would not want to be associated with such an enterprise, and I shall not be.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Subsequently, the amendment was further modified.

Daschle amendment No. 2672 (to amendment No. 2280), to provide for the establishment of a contingency fund for State welfare programs.

Faircloth amendment No. 2608 (to amendment No. 2280), to provide for an abstinence education program.

Wellstone amendment No. 2584 (to amendment No. 2280), to exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill.

Faircloth amendment No. 2609 (to amendment No. 2280), to prohibit teenage parents from living in the home of an adult relative or guardian who has a history of receiving assistance.

Conrad amendment No. 2528 (to amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Jeffords amendment No. 2581 (to amendment No. 2280), to strike the increase to the grant to reward States that reduce out-of-wedlock births.

The PRESIDING OFFICER. Under the previous order, there will be 10 minutes, to be equally divided, on the Wellstone amendment No. 2584, to be followed by a vote on or in relation to the amendment.

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, there being some spare time in our schedule just now, I would like to take the occasion, and exercise the privilege, as I see it, of reading to the Senate the lead editorial in the Washington Post this morning. It is entitled ''Welfare Theories.'' This is an editorial page which has been dealing thoughtfully, supportively, with welfare problems for 35 years.

On the opposite page, columnist George Will musters a most powerful argument against the welfare bill now on the Senate floor. The bill purports to be a way of sending strong messages to welfare recipients that it is time for them to mend their ways. But as Mr. Will notes, ''no child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment from the welfare system.''

The bill is reckless because it could endanger the well-being of the poorest children in society in the name of a series of untested theories about how people may respond to some new incentives. Surely a Congress whose majority proudly carries the mantle ''conservative'' should be wary of risking human suffering on behalf of some ideological driven preconceptions. Isn't that what conservatives always accused liberals of doing?

The best thing that can be said of this bill is that it is not as bad as it might have been. Some of the most obviously flawed proposals—mandating that States end welfare assistance to children born to mothers while they are on welfare and that they cut off assistance to teen mothers—have been voted down. There will be at least some requirements that States continue to invest resources in programs for the poor in exchange for their current Federal budget allocations. But they are still not strong enough, and are potentially loophole-ridden. Some new money for child care may also be sprinkled onto this confection.

May I repeat a powerful image, Mr. President:

Some new money for child care may also be sprinkled onto this confection.

But the structure of the bill is wrong, and a fundamental untruth lies at its heart. Congress wants to claim that it is (1) doing something about a whole series of social and economic pathologies, while at the same time (2) cutting spending. But a welfare reform that is serious about both promoting work and helping children in single-parent homes will cost more than writing checks, especially given the extremely modest sums now spent by so many States on the poor.

Going to a block grant formula would destroy one of the few obvious merits of the current system, which is its ability to respond flexibly to regional economic upturns or downturns. On top of this, the bill's provisions on food stamps and its reductions in assistance to disabled children under the Supplementary Security Income Program go beyond what might constitute reasonable reforms. And its provisions cutting aid to legal immigrants would backfire on states with large immigrant populations.

Many Senators will be tempted to vote for this bill anyway, arguing that it has been ''improved'' and fearing the political consequences of voting against anything labeled welfare reform. But many of the ''improvements'' will disappear once the bill goes to a conference with the House, which has passed an even more objectionable bill. In any event, voting this bill down would be exactly the opposite of a negative act. It would be an affirmation that real welfare reform is both necessary and possible. To get to that point, a dangerous bill posing as the genuine article must be defeated first.

That is the end of the editorial.

Mr. President, what I cannot comprehend is why this is so difficult for the administration to understand. The administration has abandoned us, those of us who oppose this legislation.

Why do we not see the endless parade of petitioners as when health care reform was before us in the last Congress, the lobbyists, the pretend citizen groups, the real citizen groups? None are here.

I can recall, Mr. President, the extraordinary energy that went into any change in the welfare system 30 years ago, 25 years ago. Fifteen years ago, if there was a proposal to take $40 out of some demonstration project here on the Senate floor, there would be 40 representatives of various advocacy groups outside.

There are very few advocacy groups outside. You can stand where I stand, Mr. President, and look straight out at the Supreme Court—not a person in between that view. Not one of those flaunted, vaunted advocacy groups forever protecting the interests of the children and the helpless and the homeless and the what-you-will. Are they increasingly subsidized and therefore increasingly co-opted?

Are they are silent because the White House is silent? They should be ashamed. History will shame them.

One group was in Washington yesterday and I can speak with some spirit on that. This was a group of Catholic bishops and members from Catholic Charities. They were here. They were in Washington. Nobody else. None of the great marchers, the great chanters, the nonnegotiable demanders.

There is one police officer that has just appeared, but otherwise the lobby by the elevators is as empty this morning as it was when I left the Chamber last night about 10 o'clock.

I read in the New York Times this morning, the front page, lead article:

And the White House, exceedingly eager to support a law that promises to change the welfare system, was sending increasingly friendly signals about the bill.

I see my friend from Indiana, Senator COATS, is on the floor. I know his view will be different from mine on the bill. But I recall that extraordinary address he gave yesterday on civil society, citing such as Nathan Glazer and James Q. Wilson, I, in response, quoted some of their observations that we know we have to do these things, but we do not know how to do them. We are just at the beginning of recognizing how profound a question it is, as the Senator so brilliantly set forth. But first, do no harm. Do not pretend that you know what you do not know. Look at the beginnings of research and evaluation that say, ''Very hard, not clear.'' Do not hurt children on the basis of an unproven theory and untested hypothesis.

That is what the Senator was citing, persons yesterday who said just that. This morning, the Washington Post, in its lead editorial, speaks of the structure of the bill being wrong, that a fundamental untruth lies at its heart.

Congress wants to claim that it is (1) doing something about a whole series of social and economic pathologies, while at the same time (2) cutting spending. The nostrums, the unsupported beliefs, the unsupported assertions, are quite astounding.

White House spokesman Rahm Emanuel yesterday told us things are going well. I say once again there is such a thing as resigning in Government, and there comes a time when, if principle matters at all, you resign. People who resign on principle come back; people whose real views are less important than their temporary position, ''their brief authority,'' as Shakespeare once put it, disappear.

If that brief authority is more important than the enduring principles of protecting children and childhood, then what is to be said of those who prefer the one to the other? What is to be said of a White House that was almost on the edge of excess in its claims of empathy and concern in the last Congress but is now prepared to see things like this happen in the present Congress?

All they want is, and I quote the Washington Post, ''some new money for child care that may be sprinkled onto this confection.''

It will shame this Congress. It will spoil the conservative revolution. The Washington Post makes this clear. If conservative means anything, it means be careful, be thoughtful, and anticipate the unanticipated or understand that things will happen that you do not expect. And be very careful with the lives of children.

I had no idea, Mr. President, how profoundly what used to be known as liberalism was shaken by the last election. No President, Republican or Democrat, in history, or 60 years' history, would dream of agreeing to the repeal of title IV A of Social Security, the provision for National Government for children. Clearly, this administration is contemplating just that.

I cannot understand how this could be happening. It has never happened before.

I make no claim to access. Hardly a soul in the White House has talked to me about this subject since it arose. They know what I think and they know what I would say; not about the particulars, but about the principle—the principle. Does the Federal Government maintain a commitment to State programs providing aid to dependent children?

It is not as if we had just a few. Ten million is a round number, at any moment.

As George Will observes in his column, and the Washington Post editorial refers to his column—the numbers are so extraordinary:

Here are the percentages of children on AFDC at some point during 1993 in five cities: Detroit (67), Philadelphia (57), Chicago (46), New York (39), Los Angeles (38).

Then he cites this Senator:

''There are * * * not enough social workers, not enough nuns, not enough Salvation Army workers'' to care for children who would be purged from the welfare rolls were Congress to decree [and then Mr. Will says] ''(as candidate Bill Clinton proposed) a two-year limit for welfare eligibility.''

The citation of Nicholas Eberstadt—I have the honor to have been a colleague of Mr. Eberstadt in a course entitled, ''The Social Science and Social Policy,'' which was taught in the core curriculum at Harvard University. Nicholas Eberstadt, of Harvard and the American Enterprise Institute, says:

Supposing today's welfare policy incentives to illegitimacy were transported back in time to Salem, MA in, say, 1660. How many additional illegitimate births would have occurred in Puritan Salem? Few. Because the people of Salem in 1660 believed in hell and believed that what today are called disorganized lifestyles led to hell. Congress cannot legislate useful attitudes.

I can say of my friend Mr. Eberstadt, I do not know where his politics would be, save they would be moderate, sensible, based on research. He is a thoughtful man; a demographer. He has studied these things with great care. And he, too, cannot comprehend national policy at this point.

Scholars have been working at these issues for years now, and the more capable they are, the more tentative and incremental their findings. I cited yesterday a research evaluation of a program, now in its fifth year, of very intensive counseling and training with respect to the issue of teen births—with no results. No results. It is a very common encounter, when things as profound in human character and behavior are dealt with. The capacity of external influences to change it is so very small.

And that we should think otherwise? That men and women have stood in

this Chamber and talked about a genuine crisis—and there is that. And I have said, if nothing else comes out of this awful process, at least we will have addressed the central subject. But if it is that serious, how can we suppose it will be changed by marginal measures? It will not.

Are there no serious persons in the administration who can say, ''Stop, stop right now? No. We won't have this. We agree with the Washington Post that, 'It would be an affirmation that real welfare reform is both necessary and possible. To get to that point, a dangerous bill posing as the genuine article must be defeated first.'" If not, profoundly serious questions are raised about the year to come?

Mr. President, I ask unanimous consent to have Mr. Will's column printed in the RECORD and I yield the floor.

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

WOMEN AND CHILDREN FIRST?

(By George F. Will)

As the welfare reform debate begins to boil, the place to begin is with an elemental fact: No child in America asked to be here.

Each was summoned into existence by the acts of adults. And no child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment from the welfare system.

Phil Gramm says welfare recipients are people ''in the wagon'' who ought to get out and ''help the rest of us pull.'' Well. Of the 14 million people receiving Aid to Families with Dependent Children, 9 million are children. Even if we get all these free riders into wee harnesses, the wagon will not move much faster.

Furthermore, there is hardly an individual or industry in America that is not in some sense ''in the wagon,'' receiving some federal subvention. If everyone gets out, the wagon may rocket along. But no one is proposing that. Instead, welfare reform may give a whole new meaning to the phrase ''women and children first.''

Marx said that history's great events appear twice, first as tragedy, then as farce. Pat Moynihan worries that a tragedy visited upon a vulnerable population three decades ago may now recur, not as farce but again as tragedy.

Moynihan was there on Oct. 31, 1963, when President Kennedy, in his last signing ceremony, signed legislation to further the ''deinstitutionalization'' of the mentally ill. Advances in psychotropic drugs, combined with ''community-based programs,'' supposedly would make possible substantial reductions of the populations of mental institutions.

But the drugs were not as effective as had been hoped, and community-based programs never materialized in sufficient numbers and sophistication. What materialized instead were mentally ill homeless people. Moynihan warns that welfare reform could produce a similar unanticipated increase in children sleeping on, and freezing to death on, grates.

Actually, cities will have to build more grates. Here are the percentages of children on AFDC at some point during 1993 in five cities: Detroit (67), Philadelphia (57), Chicago (46), New York (39), Los Angeles (38). ''There are,'' says Moynihan, ''not enough social workers, not enough nuns, not enough Salvation Army workers'' to care for children who would be purged from the welfare rolls were Congress to decree (as candidate Bill Clinton proposed) a two-year limit for welfare eligibility.

Don't worry, say the designers of a brave new world, welfare recipients will soon be working. However, 60 percent of welfare families—usually families without fathers—have children under 6 years old. Who will care for those children in the year 2000 if Congress decrees that 50 percent of welfare recipients must by then be in work programs? And whence springs this conservative Congress's faith in work programs?

Much of the welfare population has no family memory of regular work, and little of the social capital of habits and disciplines that come with work. Life in, say, Chicago's Robert Taylor housing project produces what sociologist Emil Durkheim called ''a dust of individuals,'' not an employable population. A 1994 Columbia University study concluded that most welfare mothers are negligibly educated and emotionally disturbed, and 40 percent are serious drug abusers. Small wonder a Congressional Budget Office study estimated an annual cost of $3,000 just for monitoring each workfare enrollee—in addition to the bill for training to give such people elemental skills.

Moynihan says that a two-year limit for welfare eligibility, and work requirements, might have worked 30 years ago, when the nation's illegitimacy rate was 5 percent, but today it is 33 percent. Don't worry, say reformers, we'll take care of that by tinkering with the incentives: There will be no payments for additional children born while the mother is on welfare.

But Nicholas Eberstadt of Harvard and the American Enterprise Institute says: Suppose today's welfare policy incentives to illegitimacy were transported back in time to Salem, Mass., in 1660. How many additional illegitimate births would have occurred in Puritan Salem? Few, because the people of Salem in 1660 believed in hell and believed that what today are called ''disorganized lifestyles'' led to hell. Congress cannot legislate useful attitudes.

Moynihan, who spent August writing his annual book at his farm in Delaware County, N.Y., notes that in 1963 that county's illegitimacy rate was 3.8 percent and today is 32 percent—amost exactly the national average. And no one knows why the county (which is rural and 98.8 percent white) or the nation has so changed.

Hence no one really knows what to do about it. Conservatives say, well, nothing could be worse than the current system. They are underestimating their ingenuity.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I will be very brief. I thank my colleague from New York. For me, personally, having an opportunity to be on the floor while Senator MOYNIHAN speaks is a real honor. We actually go back a ways—not that we knew each other personally, but I assigned many of his books in my classes, ranging from ''Maximum Feasible Misunderstanding'' to ''The Politics of the Guaranteed Income.''

It is interesting, once upon a time, back in 1970 or thereabouts, we were not on the same side. We had disagreements. He was the one who was nationally renowned then. I was a college teacher and I always respected Professor MOYNIHAN, and Senator MOYNIHAN, for his views. But at this point in time, having just listened to what he said, I cannot even begin to tell him how much respect I have. His voice is a very powerful and eloquent voice.

I must say, I think the silence from the White House on this question is deafening. Let me just repeat that one more time: The silence from the White House on this question is just deafening. You just cannot have it both ways, Mr. President. You cannot keep talking about children and you cannot keep talking about how you are for children and turn your gaze away from this process and what we are about to do here in the U.S. Senate.

Colleagues are coming in. It may be difficult to take a lot more time. I do not want to delay this process. But as we have gone forward in this debate, I think the thing that saddens me and also angers me—sometimes I am more saddened than angered, sometimes I am more angered than saddened—is not just the question that Senator MOYNIHAN has raised, which is, we do not know, we are about to make policy without understanding, coming anywhere close to understanding the effects of what we are doing. That is, I think, what George Will was trying to say today. But I also feel, and I will be a little bit more, not harsh, but critical of some of my colleagues, I also feel that all too often Senators have come to the floor and have repeated essentially the same stereotypes.

It is not just what we do not know. In fact, we do know some things. It is as if people do not, kind of, want to face up to this at all. All this discussion about out-of-wedlock births and what I consider to be and what I think every colleague considers to be a fundamental problem, a challenge to be dealt with, or question, why children have children, that is a complicated question. That is a complicated question. That is what my colleague from New York is trying to say.

But from a lot of the statistics that have been recited out on the floor and a lot of the discussion, you would think that we are talking about exclusively a problem with AFDC. It is societal wide, yet it gets mixed up, apples and oranges, all the time.

I have heard figures spelled out on the cost of welfare where I think everything was lumped in. You would think it was the aid to families with dependent children that built up $5 trillion of debt and was responsible for the annual budget deficits and all the rest. This is not true.

You would think from this discussion that these enormously high benefits—when not one State has welfare benefits combined with food stamps, even up to the official definition of poverty—were causing women to plan to have more children. But there is no evidence for that at all.

Mr. MOYNIHAN. None.

Mr. WELLSTONE. In fact, yesterday I asked my colleague, I said, let us take a look at some correlations State by State. I asked, ''Is there any correlation?'' We learned, in fact, there is an inverse correlation. Those States

with the lowest benefits tend to have families with more children. The lowest benefit States have the highest rates of illegitimate children.

So, Mr. President, I think that we are being very reckless with the lives of children. I think what the Senate is about to do over the next couple of days, barring major changes for the better, is very reckless with the lives of children. And in many ways I think it is amounting to nothing more than just bashing because, as I have said before, these mothers do not have the resources to get on NBC, CBS, and ABC and fight some of these stereotypes.

We want reform. But I have heard precious little discussion about the whole issue of job training, jobs, affordable child care, and moving forward on health care reform, not just for welfare mothers but other families as well. I have heard precious little of that.

So, Mr. President, for me the bottom line is—and I understand the climate. It has been just a one-sided flow of information. I said, earlier, I say to my colleague, I was at the Minnesota State Fair. I love to be at the State fair. Almost half of the State's population is there in 12 days. I like interacting with people. It is my nature to like people. I had lots of people come up to me and talk about welfare. And people really do believe we have to drive all these cheaters off the rolls and slackers back to work. People do not necessarily realize that 9 million of those 15 million on welfare are children. But I think when you talk to people they will say to you we are for the reform but we do not want you to punish children.

The direction we are going in is going to punish children. It will—and I do not exaggerate—end up taking food out of the mouths of hungry children. It is not what we should be about. And if there ever was a moment for the President to show leadership, it is now. If there ever was a moment for the President of the United States of America to show leadership—and leadership to me is calling on people to be their own best selves, not appeal to the fears and to the frustrations of people—and spell out for people the facts and provide an education for people in the United States of America about what real reform would be which would benefit children as opposed to hurting children, it is now. The silence of the White House on this question is deafening.

As a Senator from Minnesota, I feel that I owe a lot to the Senator from New York for his courage, his wisdom, his eloquence, and his power.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I do not want to keep the floor further than to say no one has given more of his career to this subject than the Senator from Minnesota. He has been at the barricades and in the lecture halls and the State fairs on the subject. He is an authority on this subject. He speaks with profound conviction.

I thank him for his courtesy to me, and I plead. There is no one in the White House to hear what he has said. Before the day is ending, we will perhaps know more. But we began the day on the right track.

Mr. President, I see my friend from Pennsylvania has arrived. I do believe our procedures can commence.

I yield the floor.

Mr. SANTORUM. Mr. President, not to disappoint the Senator from New York, but I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2584, AS MODIFIED

Mr. WELLSTONE. Mr. President, I ask unanimous consent to send a modified amendment to the desk.

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

The amendment (No. 2584), as modified, is as follows:

At the end of the amendment, insert the following new title:

TITLE —PROTECTION OF BATTERED INDIVIDUALS

SEC. 01. EXEMPTION OF BATTERED INDIVIDUALS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of, or amendment made by, this Act, the applicable administering authority of any specified provision may exempt from (or modify) the application of such provision to any individual who was battered or subjected to extreme cruelty if the physical, mental, or emotional well-being of the individual would be endangered by the application of such provision to such individual. The applicable administering authority may take into consideration the family circumstances and the counseling and other supportive service needs of the individual.

(b) SPECIFIED PROVISIONS.—For purposes of this section, the term ''specified provision'' means any requirement, limitation, or penalty under any of the following:

(1) Sections 404, 405 (a) and (b), 406 (b), (c), and (d), 414(d), 453(c), 469A, and 1614(a)(1) of the Social Security Act.

(2) Sections 5(i) and 6 (d), (j), and (n) of the Food Stamp Act of 1977.

(3) Sections 501(a) and 502 of this Act.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term ''battered or subjected to extreme cruelty'' includes, but is not limited to—

(A) physical acts resulting in, or threatening to result in, physical injury;

(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

(C) mental abuse; and

(D) neglect or deprivation of medical care.

(2) CALCULATION OF PARTICIPATION RATES.—An individual exempted from the work requirements under section 404 of the Social Security Act by reason of subsection (a) shall not be included for purposes of calculating the State's participation rate under such section.

The PRESIDING OFFICER. Under the previous order, there will be now 10 minutes of debate equally divided on the Wellstone amendment, as modified, to be followed by a vote on or in relation to the amendment.

Mr. WELLSTONE. Mr. President, I thank the Chair.

Mr. President, I shall be brief because I believe we have now worked this out and that this amendment will be accepted. I am in fact very pleased about it.

Mr. President, let me just for a moment kind of spell out for my colleagues what this amendment does. Every 15 seconds a woman is beaten by a husband or a boyfriend in the United States of America. That is a horrible statistic. But unfortunately, it is a fact. Over 4,000 women are killed every year by their abuser and every 6 minutes a woman is forcibly raped.

My concern, when I introduced this amendment last night with Senator MURRAY, was that with our various requirements we would not unwittingly put States in a position where they essentially end up forcing women back into very dangerous homes.

In other words, the way to summarize it, it took Monica Seles 2 years to get back on the tennis court. Imagine what it would be like if you were beaten over and over and over again. When would you be able to get into a job program? When would you be able to get back on your own two feet? Quite often children are also severely affected by this.

My amendment allows States to exempt people who have been battered or subjected to extreme cruelty from some of these rules that we now have within the welfare system without being penalized for not meeting their participation rate. In other words, if States want to make an exemption for a woman, or sometimes a man, who has come from a very violent home and has been battered, a State will be able to do so and a State will be penalized in no way.

Mr. President, this is extremely important because I believe that in order for us to make sure that we do not send battered women back into violent homes, States absolutely have to be able to do this without being penalized in any way, shape, or form.

I also believe this amendment being passed will enable our States to put a focus on this question for not only battered women shelters and the advocates, but I think increasingly the larger number of citizens.

So I thank my colleagues for accepting this amendment.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

Does the Senator wish to urge adoption?

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. WELLSTONE. I do.

I urge adoption of my amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania has 5 minutes.

Mr. SANTORUM. Mr. President, I rise to say we accept the amendment, as modified, and allow the Senator to continue with the adoption of the amendment.

Mr. WELLSTONE. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is now on agreeing to amendment No. 2584, as modified.

The amendment (No. 2584), as modified, was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2609

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on the Faircloth amendment, No. 2609, to be followed by a vote on or in relation to the amendment.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, my pending amendment modifies a provision in the Dole bill which allows Federal funds to be used for cash aid to unmarried teenage mothers.

The sole purpose of this amendment is designed to disrupt the pattern of out-of-wedlock childbearing that is passing from one generation to the next. My amendment seeks to stop giving cash aid that rewards multigenerational welfare dependency.

Let us be clear what the Dole bill currently does. The bill says you can use Federal funds to give vouchers or inkind benefits to an unmarried teenage mother or you can use funds to put the mother in a supervised group home. That is fine, and we have all agreed upon that.

The Dole bill then goes on to say that you can use Federal funds to give cash benefits to unmarried teenage mothers if that mother resides with her parent.

We need to be very clear what type of household we are putting cash into. In this household, there will be three people. First, the newborn child; second, the unmarried teenage mother of that child; and third, the mother of the teenager who has the child, or the grandmother, the adult, in other words, in charge of the household.

The problem with this scenario is that the adult woman, the mother of the teenager, the grandmother of the new child, the person in charge of the operation, the one we are depending upon for supervision of the unmarried teenage mother is very likely either to be or have been an unmarried welfare mother herself. It is very likely that this adult mother gave birth to the teenager out of wedlock some 15 to 16 years ago and raised her at least partly on welfare. The young teenager giving birth out of wedlock is simply repeating the pattern and model which her mother laid down.

Let me remind you of a few public statistics to confirm what I am saying. A girl who is raised in a single-parent home on welfare is five times more likely to have a child out of wedlock herself than is a girl raised in a two-parent home without welfare. Roughly two-thirds of all the unwed teenage mothers were raised in broken or single-parent homes.

The amendment I am offering is intended to break up the lethal growing pattern of multigenerational illegitimacy and welfare dependency. That is the purpose, to try to break the cycle. The current amendment follows the same basic rule on teenage mothers as the Dole bill, which says you cannot use Federal funds to give cash aid, a check in the mail to a teenage mother unless that teenage mother resides with her parents or another adult relative.

My amendment maintains that same rule but adds only the one limitation, and the limitation states that an unmarried teenage mother cannot receive Federal aid, that is a check in the mail, if the parent or adult relative the teenager is living with herself had a child out of wedlock and has recently received aid to families with dependent children.

The teenage mother cannot get cash aid, cannot get a check in the mail if she is residing with a parent who herself has had a child out of wedlock and was a welfare mother and has recently received aid to families with dependent children.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired. The Senator from North Carolina had 5 minutes.

Mr. FAIRCLOTH. I ask unanimous consent for an additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Carolina.

Mr. FAIRCLOTH. The teenager in those circumstances could receive a voucher or federally funded inkind aid, but she could not get a Federal welfare check in the mail.

I want to stress that this does not prevent teenage mothers from living at home or from receiving noncash benefits. Of course, this restriction applies only to Federal funds. A State can use its money to send a check in the mail to anyone it wants.

If you vote against this amendment, you are voting to give cash aid to multigenerational welfare households. If you vote against this amendment, you are voting to subsidize and promote multigeneration illegitimacy.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask for the yeas and nays on the Faircloth amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SANTORUM. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is now on agreeing to the Faircloth amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 17, nays 83, as follows:

[Rollcall Vote No. 422 Leg.]

YEAS—17

Ashcroft	Inhofe	Shelby
Brown	Lott	Smith
Faircloth	McCain	Stevens
Gramm	McConnell	Thompson
Grams	Nickles	Thurmond
Helms	Pressler	

NAYS—83

Abraham	Dorgan	Leahy
Akaka	Exon	Levin
Baucus	Feingold	Lieberman
Bennett	Feinstein	Lugar
Biden	Ford	Mack
Bingaman	Frist	Mikulski
Bond	Glenn	Moseley-Braun
Boxer	Gorton	Moynihan
Bradley	Graham	Murkowski
Breaux	Grassley	Murray
Bryan	Gregg	Nunn
Bumpers	Harkin	Packwood
Burns	Hatch	Pell
Byrd	Hatfield	Pryor
Campbell	Heflin	Reid
Chafee	Hollings	Robb
Coats	Hutchison	Rockefeller
Cochran	Inouye	Roth
Cohen	Jeffords	Santorum
Conrad	Johnston	Sarbanes
Coverdell	Kassebaum	Simon
Craig	Kempthorne	Simpson
D'Amato	Kennedy	Snowe
Daschle	Kerrey	Specter
DeWine	Kerry	Thomas
Dodd	Kohl	Warner
Dole	Kyl	Wellstone
Domenici	Lautenberg	

So the amendment (No. 2609) was rejected.

AMENDMENT NO. 2528

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate, equally divided, on the Conrad amendment No. 2528, to be followed by a vote on or in relation to the amendment.

Mr. CONRAD. Mr. President, I ask unanimous consent that we be able to temporarily set aside the Conrad-Lieberman amendment because we have a request from the other side that we do that so that we perhaps have a chance to work things out before a vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2581

The PRESIDING OFFICER. Under the previous order, there will be 10 minutes of debate, equally divided, on the Jeffords amendment No. 2581, to be followed by a vote on or in relation to the amendment.

Mr. NICKLES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I offered this amendment on behalf of myself, Senator SIMPSON, Senator SNOWE and, I believe, Senator CHAFEE. I have not had time to gather others who, I am sure, want to cosponsor it.

This is an important amendment. I hope that my colleagues will listen carefully to what this does. It is an amendment with all the good intentions in the world and something that we all believe in—that we should reduce the out-of-wedlock births. It hopes to do this by giving an incentive to States to do things to try and reduce it and be rewarded if they are successful. What it does is says we shall carefully—keep track of what I say—set as a baseline the year 1995, and we will draw the baseline for each State on the number of abortions which were performed in that State and also the number of out-of-wedlock births that occur during that period of time. That might be well, but I would have to point out that such statistics do not exist in any valid form. So we will be establishing a baseline, first of all, that really we do not have any idea whether it is valid or not.

Then it says that if you reduce your out-of-wedlock births by 1 percent and you do not increase your abortions, then you will be rewarded with a 5-percent increase in the amount of money you receive across the board for welfare. If you do it by 2 percent, you will get a 10 percent. That may sound good, too, but remember, to start with we do not have any baseline that we have any accuracy with.

What it does is also create an incentive for the States to find all sorts of things to do in order to try and get below that. CBO scores it at a cost of $75 million over 7 years. In their view, nothing will happen, basically, because if it is successful, the cost will be $1.6 billion a year—$1.6 billion a year for which there is no appropriation; so it will come out of something else because it is an entitlement.

I point out that both the pro-life groups, if not all of them, but also pro-choice groups are opposed to this amendment for many different reasons. First of all, since we have no baseline, it is going to be difficult to know as to whether or not anything happened. Second, since it refers only to in-State abortions and in-State out-of-wedlock births, that does not include those that go across the border. So you open up serious problems with respect to manipulation of statistics.

There is no reporting process now for abortion. There is no definition of what an abortion is in the bill.

What is an abortion? Is it an IUD? Is it a D and C? What is it? We do not know. The statistics are all over the place.

The States will see that goal out there—and keep in mind that if it is totally successful, it will cost $1.6 billion a year and we will only reduce the out-of-wedlock births by 2 percent over the whole period of time.

If you are successful the first year and you stay at that level below the baseline, you pick up this thing for the whole 7 years, the 5 years of the bill and accomplish nothing more.

And, I point out, you have letters given to you from the Catholic Charities, who are very much against this. They think it will increase the number of abortions. The pro-choice have looked at this as an intervention into privacy.

Also, it includes not just welfare individuals; it includes all of your population. This means you will have to report out-of-wedlock births from every family that has that occur.

These things are really disruptive. I hope that we will defeat this provision of the bill. I ask for support of my amendment.

I reserve the remainder of my time.

Mr. ABRAHAM. I yield myself 2 minutes. Mr. President, if this amendment succeeds, we will have nothing left in this bill geared to the problem of illegitimacy that virtually every Member of this Senate has talked about and described is a problem in their State.

This portion of the bill creates incentives for States to attack this issue head on. I believe the criticisms, although well intentioned, do not justify turning our backs on this problem. The fact that it may cost more if States across America, every single State brings down its illegitimacy rate, it may cost $1 billion more in bonuses, does not reflect the total price tag and the success we would have if this were to be achieved.

The fact is this is a priority issue. It deserves, in terms of our funding priorities, to be placed high on the priority list. If we succeed, I think we will save more in dollars and lives than any bonuses we will pay to the States.

Further, I think some of the concerns that have been raised as to definitions are addressed in the legislation as it has been brought to the floor. The Secretary has given quite a bit of latitude to determine definitions as well as to determine whether or not the numbers have been in any way gained in order to allow States to capture advantage of the bonus undeservedly.

Finally, I just would say if we strip this provision from the bill, we will have to go back and explain to our constituents why we did not do one significant thing to address the No. 1 social problem in America today. Arguments in favor of this amendment do not, in my judgment, justify turning our backs on this issue.

Mr. President, I yield 2 minutes to the Senator from North Carolina.

Mr. FAIRCLOTH. Thank you, Mr. President. We are now debating a provision of the Dole bill that addresses illegitimacy but is not at all directive or proscriptive. The provision which the amendment by Senator JEFFORDS seeks to strike is a simple provision that rewards a State for reducing its illegitimacy ratio, the percentage of total births which are out of wedlock.

This provision taken from the House welfare reform bill says if a State decreases its illegitimacy ratio without increasing its abortion rate, we will increase the AFDC block grant by up to 10 percent.

That is what we all agree that we want. We want a reduction in out-of-wedlock births as long as it is not accomplished by an increase in abortions.

We do not tell the States how to reduce illegitimacy. We simply say, ''You come up with a successful way to reduce it, and we will give you more money.''

The provision has three elements. We set a goal: reducing illegitimacy. We give the States maximum flexibility in meeting that goal. Third, we provide a financial reward for meeting the goal.

If the Jeffords amendment succeeds, the illegitimacy reduction bonus mechanism is struck, the Dole bill will have no provision to reduce illegitimacy at all. We will not have real welfare reform.

We do not address the crisis of out-of-wedlock births. I thought that is what we came to address and to do something about, was illegitimacy, and everything that comes up to reduce it we vote down.

I urge my colleagues to vote against the Jeffords amendment.

Mr. ABRAHAM. Mr. President, I yield 1 minute to the Senator from Texas.

Mr. GRAMM. Mr. President, it was argued yesterday that no one could establish a relationship between giving people money to do something and then seeing them do it.

In fact, the proponent of this argument stated that if you believe that people do more of something when you pay them to do it, then you must also believe in the tooth fairy. No more nonsensical statement was ever made on the floor of the U.S. Senate than that.

One-third of all the babies born in America today are born out of wedlock. The largest single explanation of why that is the case is that we give larger and larger cash payments to people who have more and more babies on welfare.

Yesterday, we lost on our effort to stop that suicidal national policy. Now we have an effort to strike the last remaining provision in this bill, a provision that says simply that if States are able, through their own reforms, to deal with the greatest welfare crisis we face, illegitimacy, that we will give them a bonus for their success.

Now we have an amendment that says strike that bonus and eliminate the last remaining effort to deal with illegitimacy. It is very important that this amendment be defeated.

I urge my colleagues to reject it.

Mr. JEFFORDS. I yield the balance of my time to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator has 30 seconds.

Mr. SIMPSON. Mr. President, I rise today in support of the amendment introduced by my colleague from Vermont. This amendment would strike the so-called ''illegitimacy ratio'' from the welfare bill. Let me just say obviously it is a difficult amendment, obviously a difficult area, a laudable pursuit, but I represent a state that values confidentiality and privacy and am greatly concerned about the inaccuracy of the data collection.

I do agree with the Senator from Vermont when he says that ''federal strings often do not produce the desired behavior modifications and can even produce unintended negative results.'' I think this ratio is a clear example of just that.

We all agree that the intentions of such a provision are in every way laudable, however, the implementation of such a ratio is what concerns me. We all want to reduce the number of out-of-wedlock births in this country. Every one of us. This issue is of major concern and needs to be addressed at all levels of government. I want to commend my colleagues for bringing this important issue to our attention.

However, as a legislator who is prochoice, I remain concerned that this ratio will actually hinder women from receiving abortions if and when they choose to do so. States possibly could actually restrict access to abortions in order to ensure that their abortion rate does not increase. Making abortions more difficult to obtain would obviously help to lower the abortion rate and that is the part that greatly concerns me.

In addition, coming from a state that so greatly values confidentiality and privacy—the right to be alone. I am greatly concerned about the inaccuracy of the data collection. We do not have reporting requirements on abortions in my State for physicians or public health officials. The physicians in Wyoming fiercely value their anonymity in this matter. The State does not seek more accurate reporting from them for fear of violence.

Wyoming has four abortion providers and access is very much a huge problem. In fact, most women in Wyoming travel to Colorado or Montana if they choose to have an abortion. Privacy is such an overwhelming concern in Wyoming, especially in our small towns. This ''ratio'' simply would not be an accurate indicator of abortions in any State for this very reason. Colorado and Montana's ratios would be skewed since they would have to account for the women who do travel to their States to have abortions. This is not a problem isolated to the Rocky Mountain States—this occurs across the country in every single rural and frontier area.

So I remain deeply concerned about the lack of reporting procedures that currently exist, and this amendment will only aggravate this problem. It does not provide for any additional funding for States to set up the extensive reporting procedures that will be needed in order to calculate this ratio. If we pass this ratio provision, we will in fact be passing on another unfunded mandate to the States.

We should all deal honestly with the issues of teenage pregnancy and illegitimacy, but there are so many other ways to address these matters including appropriate sex education in the schools, if I might add.

For these reasons, I urge passage of this amendment.

Mr. ABRAHAM. I yield the balance of my time to the Senator from Pennsylvania.

Mr. SANTORUM. Let me say there is always an excuse not to deal with this issue. If we do not adopt this amendment, there will be nothing on illegitimacy in this.

We have heard great speeches, what an important problem this is. If we do not reject the Jeffords amendment, there will be nothing in this bill to deal with what everybody thinks is the most pressing problem that we have to face.

We should quit finding excuses to do nothing.

Mr. DOLE. If I may use 2 minutes of my leader time.

The PRESIDING OFFICER. The Senator has that right.

Mr. DOLE. Mr. President, let me speak to my colleagues on both sides of the aisle.

I think there is a tendency for amendments offered by Democrats being voted for by Democrats, and maybe the other way, too.

This amendment makes a great deal of sense, not the amendment of the Senator from Vermont but the amendment in the bill. It was worked out very carefully after a lot of consultation by a lot of people to make certain that we were not doing some of the things that have been stated here.

It is up to the States; it is up to the Governors. We have talked about returning power to the Governors, power to the States. Democrat or Republican Governors—we have not made any distinction.

Everybody has railed about illegitimacy. Mr. President, one out of three births is out of wedlock.

This is a very important amendment. It is in the House bill. We do not see any reason it should not be in this bill. That is why we put it in the Dole amendment to start with.

I would hope my colleagues on both sides of the aisle would take a look at what we are trying to do. Why not reward a State? Why not reward a Governor, Governor Edgar from Illinois or Governor Thompson or Governor Romer, whoever it may be, if they can devise a plan to reduce the illegitimacy rate?

That is what this amendment is all about. It is straightforward.

I do not see any pitfalls described by the Senator from Wyoming or the Senator from Vermont. I hope we could defeat the amendment of the Senator from Vermont and keep this provision in the bill.

I can tell you, I will be a conferee when we ever go to conference on this. This is going to be very important. If we are serious about illegitimacy, this is an opportunity to demonstrate it. It is not partisan; not Democrat, not Republican, not conservative, not anything, as far as I know, except an honest effort to deal with a very serious problem.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Will the Senator from Kansas yield for a question?

Mr. DOLE. Yes.

Mr. GRAHAM. The Senator from Kansas yields for a question? As I read the amendment that is in the bill, it provides a bonus of 5 percent of your State grant if you reduce illegitimacy by 1 percent, and 10 percent if you reduce it by 2 percent. Is that correct?

Mr. DOLE. That is correct.

Mr. GRAHAM. Does that mean that, for instance in the District of Columbia, they would get 11 times as much actual money for the reduction of illegitimacy as would, for instance, the State of Mississippi, since they get 11 times as much block grant per poor child in the District of Columbia than in the State?

Mr. DOLE. I would have to check that. I am talking about principle. You are talking about formula.

Mr. GRAHAM. The principle? If the goal is to accomplish the objective, why could it not have been stated in an absolute amount as opposed to a percentage of a block grant, which is very different from State to State?

Mr. DOLE. We might entertain a modification if the Senator has one.

Mr. GRAHAM. Is there a policy reason why the State has a percent of a block grant as opposed to an absolute number?

Mr. DOLE. I think it is going to be more difficult to administer, too, if you make it absolute. But I want to stick to the principle. Maybe the Senator has an idea. He can offer an amendment later on. But in my view, this is a very simple straightforward amendment. It is in the bill.

I do not have an answer to the Senator from Florida without checking, whether it might be a good idea or might not be a good idea. But let us vote on the amendment and then, if the Senator has some change he would like to make, I will be happy to entertain it.

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

Mr. DOLE. No, I am ready to vote.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now occurs on the Jeffords amendment No. 2581, up or down. This will be a 10-minute vote.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 37, nays 63, as follows:

[Rollcall Vote No. 423 Leg.]

YEAS—37

Akaka	Hatfield	Moynihan
Baucus	Hollings	Murray
Bradley	Inouye	Packwood
Breaux	Jeffords	Pell
Campbell	Johnston	Robb
Chafee	Kassebaum	Sarbanes
Cohen	Kennedy	Simon
Dodd	Kerrey	Simpson
Feingold	Kohl	Snowe
Feinstein	Lautenberg	Specter
Ford	Leahy	Wellstone
Glenn	Mikulski	
Harkin	Moseley-Braun	

NAYS—63

Abraham	Domenici	Lott
Ashcroft	Dorgan	Lugar
Bennett	Exon	Mack
Biden	Faircloth	McCain
Bingaman	Frist	McConnell
Bond	Gorton	Murkowski
Boxer	Graham	Nickles
Brown	Gramm	Nunn
Bryan	Grams	Pressler
Bumpers	Grassley	Pryor
Burns	Gregg	Reid
Byrd	Hatch	Rockefeller
Coats	Heflin	Roth
Cochran	Helms	Santorum
Conrad	Hutchison	Shelby
Coverdell	Inhofe	Smith
Craig	Kempthorne	Stevens
D'Amato	Kerry	Thomas
Daschle	Kyl	Thompson
DeWine	Levin	Thurmond
Dole	Lieberman	Warner

So the amendment (No. 2581) was rejected.

AMENDMENT NO. 2535

The PRESIDING OFFICER. Under the previous order there will now be 10 minutes of debate equally divided on the Dorgan amendment, numbered 2535, to be followed by a vote on or in relation to the amendment.

The Senator from North Dakota.

Mr. DORGAN. I thank the Chair very much.

This is amendment No. 2535. Mr. President, this amendment is a sense-of-the-Senate, modeled after the requirement in the new unfunded mandate law that we passed earlier this year. The Congressional Budget Office under this amendment that I offer on behalf of myself, Senator GLENN, and Senator GRAHAM is asked to report to the Senate prior to a vote on the conference report on the cost to the States of complying with the work requirements and any other mandate compared to the amount of money provided in the bill for complying with the requirements, and as well they are asked to give us an estimate of the number of States which would opt to pay the penalty rather than raise the additional revenue necessary to meet these requirements.

Mr. President, the reason this is necessary is the Department of Health and Human Services has estimated that the cost to the States of meeting the work requirement in this bill will exceed the funds provided in the Dole plan by about $17 billion over 7 years. So the States will be forced to either raise some taxes or cut some spending in other areas by $17 billion in order to comply with the requirements in the Dole bill.

Alternatively, they could simply abandon the work requirement. They could abandon the effort to meet these work requirement goals and they could instead pay a modest penalty—modest as compared to the $17 billion. The penalty would be about $6 billion.

The Congressional Budget Office has concluded that most States will opt to pay the penalty. In fact, the Congressional Budget Office has estimated that probably only 10 to 15 States will meet the work requirements, meaning 35 to 40 States will pay the penalty.

What does that mean? It means that we will not accomplish the central function of one of the things we want to do in this bill, and that is move people from the welfare rolls to work. This is in my judgment either then an unfunded mandate of significant quantity or it will fail in the primary objective of moving people off welfare and to a job.

The law we passed a few short months ago indicated we ought not do any of these things unless we understand what we are asking others to do in terms of unfunded mandates. This amendment is very simple. Before we vote on the conference report, let us have a report by the CBO of what kind of an unfunded mandate exists here, how many States will comply with the work requirement and what we can expect from this legislation.

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

The PRESIDING OFFICER. The Senator has 2 minutes and 25 seconds.

Mr. DORGAN. Let me yield 1½ minutes to Senator GLENN from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I thank my colleague. I am glad to be a cosponsor of this amendment. What the Senator has said is that early this year we passed the unfunded mandates bill. We said no longer were we going to just throw things back on the States and say you take care of it; we are putting the requirement out there with no money. And yet that is exactly what we are doing right now in this bill.

I know the unfunded mandates bill does not kick in with all of its requirements until January 1 next year. With this bill, we are requiring States to place 50 percent of welfare recipients on the work rolls by 2002. We are requiring job training, placement, education. Work requirement will be another $1.9 billion on State governments per year, 3.3 to cover child care costs, and so on, required for the Dole bill.

I do not know how the balance comes out, where increased flexibility lets them save some money and how this balances out, but this could wind up as a giant, giant unfunded mandate on the States, and so I am very glad to support my colleague's proposal. If we are in keeping with the philosophy and principles of S. 1, the first bill that we passed this year, we should not be saddling State and local governments with these new welfare requirements without knowing exactly what we are doing.

I thank the Senator.

Mr. DOLE. Mr. President, I happen to agree with the Senator from Ohio and the Senator from North Dakota. We ought to find out what it costs, whatever impact it may have.

I am prepared to accept the amendment. I yield back my time.

Mr. DORGAN. Mr. President, I am satisfied with that. I appreciate the cooperation of the majority leader.

I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment 2535.

The amendment (No. 2535) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2589

The PRESIDING OFFICER. Under the previous order, there will be a 10-minute debate equally divided on the McCain amendment No. 2589 to be followed by a vote on or in relation to the amendment. That will be a 10-minute vote.

Mr. DOLE. Mr. President, as I understand it, we are on the McCain amendment which I believe is acceptable on both sides. So I yield back the time on this side.

The PRESIDING OFFICER. If there is no objection——

Mr. CHAFEE. Could we have a description of the McCain amendment?

Mr. DOLE. I have been advised the purpose of the amendment is to provide for child support enforcement agreements between the States and Indian tribes or tribal organizations.

It provides for child support enforcement agreements between the States and Indian tribes and tribal organizations. I think the same thing that applies to States now applies to tribal organizations. As I understand, there is no problem with the amendment.

Mr. WELLSTONE. Mr. President, I am pleased today to join Senators

MCCAIN and INOUYE as a cosponsor of an amendment that would further the goals of strengthening child support enforcement activities by encouraging State governments with Indian tribes within their borders to enter into cooperative agreements for the delivery of child support enforcement services in Indian country.

Mr. President, this amendment would give the Secretary of the Department of Health and Human Services, in specific instances, the authority to provide direct Federal funding to Indian tribes operating an approved child support enforcement plan. This approach is consistent with the government-to-government relationship between tribal governments and the Federal Government. Further, this approach to child support enforcement in Indian country is supported by the National Council of State Child Support Enforcement Administrators.

Mr. President, title IV–D of the Social Security Act was enacted to assist all children in obtaining support and moving out of poverty. Yet it has been of little assistance to Indian children residing in Indian country because under title IV–D, only States are eligible to receive Federal funds to operate title IV–D programs. The regulations implementing this act restrict States from providing services to Indian children on reservations.

State child support program administrators have attempted to meet the goals of child support enforcement by extending their efforts to Indian country, but the administrative and jurisdictional hurdles have made it all but impossible to get these services to need Indian children.

Finally, Mr. President, in 1992, the Interstate Commission of Child Support Enforcement recommended that the Congress address this problem through Federal legislation. It is time for America's neediest children to receive child support enforcement services.

AMENDMENT NO. 2589

Mr. MCCAIN. Mr. President, I thank my colleagues, Senators INOUYE, WELLSTONE, DOMENICI, and DASCHLE, for joining me in offering this important amendment. The amendment that I and my colleagues are offering today would further the goals of enforcing child support enforcement activities by encouraging, not mandating, State governments, with Indian lands within their borders, to enter into cooperative agreements with Indian tribal governments for the delivery of child support enforcement services in Indian country. The amendment provides funding to achieve these purposes within the overall spending allocated to this effort. It gives the Secretary the authority, in specific instances, to provide direct Federal funding to Indian tribes operating an approved child support enforcement plan. This approach is consistent with the government-to-government relationship between tribal governments and the Federal Government, and the other provisions contained in the Dole substitute bill.

Mr. President, title IV–D of the Social Security Act was enacted to assist all children in obtaining support and moving out of poverty. Under this title, State child support offices are required to provide basic services to parents who apply for these services, including those that receive welfare assistance. These services include collecting and distributing child support payments from dead beat dads. Yet this program has been of little assistance to Indian children residing in Indian Country because under title IV–D, only States are eligible to receive Federal funds to operate IV–D programs under Federal regulations which, as a practical matter, all but prohibit them from providing services to Indian children on reservations. Because of this, Indian children have lost, and will continue to lose necessary services.

Mr. President, there is a great need for child support enforcement funding and services in Indian country. There are approximately 554 federally recognized Indian tribes and Alaska Native villages in the United States. According to the most recent Bureau of the Census data, children under the age of 18 make up the largest age group of Indians. Approximately 20.5 percent of American Indians and Alaska Natives are under the age of 10 compared to 14 percent for the Nation's total population. In addition, one out of every five Indian households are headed by single females. This data reveals that the need for coordinated child support enforcement and service delivery in Indian country exceeds the need in the rest of America.

There are also jurisdictional barriers to effective service delivery under IV–D programs on reservations. Federal courts have held that Indian tribes, not States, have authority over Indian child support enforcement issues and paternity establishment of tribal members residing and working on the reservation. These jurisdictional safeguards, although necessary, have hampered State child support agencies in their efforts to negotiate agreements for the provision of services or funding to Indian tribal governments. The types of services provided under title IV–D include paternity establishment, including genetic blood testing, the establishment of support obligations and the enforcement of support obligations through wage withholdings and tax intercepts. These activities fall within the exclusive jurisdiction of the Indian tribes. Yet there is no mechanism to enable tribes to receive Federal funding and assistance to conduct these activities.

This amendment in no way forces or compels an Indian tribe or State to act, nor does it affect well-established State or tribal jurisdiction to establish paternity or support orders. It merely recognizes the problems of child support collection and distribution between States and tribes as they exist under the current system. Simply put, this amendment encourages cooperative agreements between two governments to satisfy the goals and purposes of uniform child support enforcement. Let me just point out that some of these agreements are already in place in States like Washington and Arizona.

State administrators, such as in my own State, have attempted to meet the goals of uniform child support enforcement by extending their efforts to Indian Country, but the administrative and jurisdictional hurdles make it all but impossible to get these services out to the children in need.

These obstacles have led to costly litigation. For example, the 8th and 9th circuit courts have issued inconsistent rulings in addressing the ability of Indian children to access title IV–D services. A 1991 Federal court ruling summed up the problem by holding—

> . . . the State must give children of absent Indian parents the same degree of child support enforcement services as other children, when there is reasonable access to the tribal courts.

Yet, that court's ruling is inconsistent with the Department of Health and Human Services interpretation of title IV–D in which the Department significantly restricts the States. Let me remind my colleagues that States are trying to be fair in providing child support enforcement services and funding to Indians. Their ability to provide these services is quite limited because Indian tribes are not mentioned in title IV–D. This amendment would clarify that Indian children are entitled to the same protections from deadbeat dads as all other children in our country.

Mr. President, this problem is not new to those involved in State child support enforcement agencies or national organizations concerned with these issues. For instance, in 1992, the American Bar Association and the Interstate Commission of Child Support recognized the problems created by the omission of Indian tribes from IV–D legislation. In fact, the American Bar Association issued a handbook for States and tribes to use in attempting to negotiate State/Tribal cooperative agreements for child support enforcement. Also in an elaborate report issued in 1992, the Interstate Commission on Child Support Enforcement recommended that the Congress address this problem in Federal legislation. Until the amendment under consideration was offered, no legislative initiative to include Indian tribes has occurred.

More recently, I received a copy of a letter, dated May 15, 1995, from the president of the National Council of State Child Support Enforcement Administrators. The letter advises the Department of Health and Human Services that a resolution was passed by the IV–D directors that favors direct Federal funding to Indian tribes for child support services. Let me quote from a passage of the letter ''The states that are concerned about this

issue believe that the most effective way to provide comprehensive services to Native American children is for the federal government to deal directly with sovereign tribal governments.'' The amendment that I am offering will do just that.

The PRESIDING OFFICER. Without objection, if all time is yielded back, the question is on agreeing to the amendment 2589.

The amendment (No. 2589) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2525

The PRESIDING OFFICER. Under the previous order, there will now be a 10-minute debate equally divided on the Exon amendment 2525, to be followed by a vote on or in relation to the amendment.

Mr. MOYNIHAN. Mr. President, the Senator from Nebraska is on his way. He is expected to be here soon. I wonder if I could place a quorum call——

Mr. DOLE. Maybe better yet, as I understand, the Nickles amendment numbered 2556, I was advised by Senator NICKLES that had been worked out to the satisfaction of both sides.

Mr. MOYNIHAN. To my knowledge, I do not know of any objection.

Mr. BRADLEY. Mr. President, Senator NICKLES has spoken to me about this amendment and as I understand he has modified his amendment. At this moment, I do not know if he has modified it.

Mr. DOLE. Maybe we will put in a quorum call and we will find Senator NICKLES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2556, AS MODIFIED

Mr. DOLE. I now ask unanimous consent we move to consideration of 2556, the Nickles amendment, and I send a modification to the desk which has been cleared by the distinguished Senator from New Jersey [Mr. BRADLEY].

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

The amendment (No. 2556), as modified, is as follows:

Section 913, page 602 of the amendment, strike line 22 through page 603 line 5 and insert in lieu thereof the following:

''(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

''(1) $25; or

''(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.''

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment 2556, as modified.

The amendment (No. 2556), as modified, was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on the Exon amendment 2525.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

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

AMENDMENT NO. 2525

Mr. EXON. Mr. President, I apologize to the managers of the bill. I did not mean to delay them. I stepped off the floor for the first time for 10 minutes assuming there were other measures ahead of mine. But I am now prepared to offer my amendment.

I offered this amendment last week. I made a concise statement at that time. I believe that I have 5 minutes under the unanimous-consent agreement.

Is that correct?

The PRESIDING OFFICER. Under the previous order, there is allowed 10 minutes of debate equally divided.

Mr. EXON. I thank the Chair.

AMENDMENT NO. 2525, AS MODIFIED

Mr. EXON. After introducing the amendment last week, I have a very minor addition to the amendment that was suggested by my friend and colleague, Senator SIMPSON from Wyoming, with whom I have worked on this matter for a long, long time.

I ask unanimous consent that this minor addition be announced and considered, and the amendment itself be considered at this time.

The PRESIDING OFFICER. If there is no objection, the amendment is modified.

The amendment, as modified, is as follows:

On page 302, between lines 5 and 6, insert the following:

SEC. 506. PROHIBITION ON PAYMENT OF FEDERAL BENEFITS TO CERTAIN PERSONS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), Federal benefits shall not be paid or provided to any person who is not a person lawfully present within the United States.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations and, if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of a serious communicable disease, for testing and treatment of such disease.

(c) DEFINITIONS.—For purposes of this section:

(1) FEDERAL BENEFIT.—The term ''Federal benefit'' means—

(A) the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, Social Security, health, disability, public housing, post-secondary education, food stamps, unemployment benefit, or any other similar benefit for which payments or assistance are provided by an agency of the United States or by appropriated funds of the United States.

(2) PERSON LAWFULLY PRESENT WITHIN THE UNITED STATES.—The term ''person lawfully present within the United States'' means a person who, at the time the person applies for, receives, or attempts to receive a Federal benefit, is a United States citizen, a permanent resident alien, an alien whose deportation has been withheld under section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)), an asylee, a refugee, a parolee who has been paroled for a period of at least 1 year, a national, or a national of the United States for purposes of the immigration laws of the United States (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)).

(d) STATE OBLIGATION.—Notwithstanding any other provision of law, a State that administers a program that provides a Federal benefit (described in section 506(c)(1)) or provides State benefits pursuant to such a program shall not be required to provide such benefits to a person who is not a person lawfully present within the United States (as defined in section 506(c)(2)) through a State agency or with appropriated funds of such State.

(e) VERIFICATION OF ELIGIBILITY.—

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal benefit, including a benefit described in section 506(b), is a person lawfully present within the United States and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(2) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (1) are adopted, a State that administers a program that provides a Federal benefit described in such subsection shall have in effect a verification system that complies with the regulations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

(f) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. EXON. Mr. President, I will make some brief remarks on this. I believe there is strong support on this. I will be asking for the yeas and nays. And I would agree to have the yeas and nays ordered at any time that the managers of the bill think are in order.

Mr. President, last Friday I offered an amendment to the welfare reform bill which states that Federal benefits shall not be paid or provided to any person who is not lawfully present within the United States. I have introduced measures to address this problem in the past and the Senate accepted a very similar amendment in 1993 by a vote of 85 for and only 2 against, and only to see it unfortunately dropped in conference.

My amendment specifically defines who is a person lawfully present within our country. Previous prohibitions on the payment of benefits to illegal aliens have been weakened by expansive agency regulations and court decision. My amendment also provides for a number of exceptions. Illegal aliens would still be eligible for elementary and secondary education, emergency medical services, disaster relief, school lunches, child nutrition, and immunization.

Also, States would not be obligated to provide benefits to those not lawfully present in our country, and funds would be provided for States to set up systems to verify the status of the applicants. As we continue to debate welfare reform, I believe it is evidence that we must not pass up this opportunity to stop, once and for all, providing scarce Federal benefits to illegal aliens.

Mr. President, I yield the floor and reserve the balance of my time.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MOYNIHAN. Mr. President, I yield 3 minutes to the Senator from Florida.

Mr. GRAHAM. Mr. President, I would first, if I could, ask the Senator from Nebraska if he would yield for a question?

Mr. EXON. Certainly.

Mr. GRAHAM. Mr. President, I would say to the Senator, I was particularly concerned about the issue of elementary and secondary education. The Senator stated that his amendment would not deny the child of a person who was in the country illegally access to elementary and secondary education?

Mr. EXON. That is correct.

Mr. GRAHAM. Could the Senator tell me where in the amendment that was mentioned?

Mr. EXON. It may well be that the Senator from Florida did not understand. That was incorporated in the amendment and was suggested as an exception by the Senator from Wyoming. And I think it satisfies the concerns of the Senator from Florida. It is in the amendment on which we are now discussing and on which we will vote. If you are talking about the amendment that I offered last Friday, it is not in there. But it is in the amendment that we will be voting on.

Mr. GRAHAM. Mr. President, the answer to that question allayed one of my principal concerns about this amendment, because in the original form, the form that was at the desk, there was no recognition of the children of persons who were in the country illegally in terms of their participation in elementary and secondary education.

In fact, there was a provision which would have allowed the States to have terminated educational assistance to those children as well as the Federal Government terminating whatever assistance it provides. With that modification, I will reserve final judgment as to how I will vote on this amendment. But I would like to raise the fundamental issue, the Federal Government has the total constitutional responsibility for the enforcement of our borders, and for our immigration and naturalization law. It is written almost in those terms in article 1 of the U.S. Constitution. The States have no authority in either of those two areas.

Second, when the Federal Government fails to carry out its responsibility and to enforce the borders, it is the States and the local communities who have the principal obligations and consequences of that failure.

Third, those consequences are heavily focused in about six States. Six States have over 80 percent of those persons who are in the country illegally living within their borders.

So, fourth, the consequence of this legislation is to say the Federal Government failed to carry out its exclusive constitutional responsibility: To protect the borders and enforce the immigration laws, allow large numbers——

The PRESIDING OFFICER (Mr. COVERDELL). The Senator's time has expired.

Mr. GRAHAM. Mr. President, I ask the manager for 1 additional minute.

Mr. EXON. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Nebraska has 2 minutes 57 seconds remaining.

Mr. SIMPSON. May I inquire whether I may receive 30 seconds from the Senator from Nebraska?

Mr. EXON. I yield 30 seconds to my colleague from Wyoming.

Mr. SIMPSON. I do not want to interrupt the Senator from Florida.

Mr. EXON. I yield to the Senator from Wyoming when he gets the floor.

Mr. MOYNIHAN. Mr. President, I yield an additional minute to the Senator from Florida and 1 minute to the Senator from Massachusetts.

Mr. GRAHAM. Mr. President, to conclude, we are about to set up what I think is a very unsafe situation: The Government fails to carry out its constitutional responsibility, and for the people who are illegally in communities across America, we are saying the Federal Government is going to deny any benefits to those people, which means those communities already the most heavily impacted now, out of their resources, have to pick up those responsibilities.

As a humanitarian society, we are still going to face providing health care, delivering babies to pregnant women, and the negative aspects of operating a criminal justice system and the other requirements when that illegal population acts in ways that are antithetical to the society in which they are living.

Reserving the right to review the amendment in its final form, I raise for my colleagues the potential consequences of this amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I, too, want to express that Senator EXON's amendment does not include the elementary and secondary education. Under the initial amendment, there is about $225 million that goes into States, into local communities to respond to Supreme Court holdings with regard to their requirements to educate these children. But this has eliminated that.

I welcome the opportunity to work with the Senator. We have, for example, 11,000 temporary nurses that come here to work in many of our urban area hospitals. Under this requirement, their residency requirements are such that they would not be able to get nursing licenses the way this is being interpreted, which would put a severe pressure on many of the inner-city hospitals in underserved areas.

I know that is not the intention of the Senator. I welcome the opportunity as this legislative process moves forward in some of these areas that we can work through to try to not have unintended consequences that would provide a hardship rather than to achieve the objectives of the amendment.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming for 30 seconds.

Mr. SIMPSON. Mr. President, I want to thank my friend, my colleague. Senator EXON came to the Senate when I did. His consistency on this has been clear through the years, and we have taken care of the problems brought up by Senator GRAHAM and by Senator KENNEDY.

I look forward to working with the Senator on these issues, as with Senator KENNEDY, the ranking member of the subcommittee, which I chair.

We have also taken care of in this amendment veterans issues. There will be no diminution of veterans benefits, no denial of veterans benefits to someone who may have been illegal but

served the country. So it takes care of that and takes care of the education issue.

I thank the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska has 2 minutes remaining.

Mr. EXON. I am prepared to yield back my time to move things ahead.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. EXON. Mr. President, is there remaining time in opposition to the amendment?

The PRESIDING OFFICER. All time in opposition has been yielded back.

Mrs. HUTCHISON. Will the Senator from Nebraska yield 1 minute to me?

Mr. EXON. I will be glad to yield a minute.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I rise in support of the Senator's amendment because I think this is a very important part of the Federal Government's responsibility to control our borders.

I am one of the States that is affected by the illegal aliens that come across the border, and they do take not only from our State and local coffers, but from the Federal coffers as well. This is something that we must stop. I think the Senator from Nebraska has a very good amendment, and I think it should be part of an overall illegal immigration reform measure that the Senator from Wyoming and the Senator from California, Senator FEINSTEIN, are working on. But until that time, it is very important that we speak in this welfare reform bill to the cost of illegal aliens.

So I appreciate what the Senator from Nebraska has done, and I support his amendment.

Mr. EXON. Mr. President, I thank the Senator from Texas very much for the kind statement and support. Since no one is seeking time, I yield back the remainder of my time, and the yeas and nays have already been granted.

The PRESIDING OFFICER. The question now occurs on agreeing to the Exon amendment No. 2525, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 94, nays 6, as follows:

[Rollcall Vote No. 424 Leg.]

YEAS—94

Abraham	Bond	Byrd
Akaka	Boxer	Campbell
Ashcroft	Bradley	Chafee
Baucus	Breaux	Coats
Bennett	Bryan	Cochran
Biden	Bumpers	Cohen
Bingaman	Burns	Conrad
Coverdell	Hollings	Murray
Craig	Hutchison	Nickles
D'Amato	Inhofe	Nunn
Daschle	Inouye	Packwood
DeWine	Jeffords	Pell
Dodd	Johnston	Pressler
Dole	Kassebaum	Pryor
Domenici	Kempthorne	Reid
Dorgan	Kennedy	Robb
Exon	Kerrey	Rockefeller
Faircloth	Kerry	Roth
Feingold	Kohl	Santorum
Feinstein	Kyl	Sarbanes
Ford	Lautenberg	Shelby
Frist	Leahy	Simpson
Glenn	Levin	Smith
Gorton	Lieberman	Snowe
Graham	Lott	Specter
Gramm	Lugar	Stevens
Grassley	Mack	Thomas
Harkin	McCain	Thurmond
Hatch	McConnell	Warner
Hatfield	Mikulski	Wellstone
Heflin	Moseley-Braun	
Helms	Moynihan	

NAYS—6

Brown	Gregg	Simon
Grams	Murkowski	Thompson

So the amendment (No. 2525), as modified, was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. Mr. President, the Democratic leader asked me to institute a quorum call, which I did, but I think we have an amendment of the Senator from California, Senator FEINSTEIN, which can be accepted. We will be prepared to do that.

Then the amendment of the Senator from North Dakota was set aside. Apparently he is prepared to proceed on that. It is part of our list, so I think it will be appropriate to do that. So I will work to clear it with Senator DASCHLE.

Mrs. FEINSTEIN. That is correct.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

AMENDMENT NO. 2470

Mrs. FEINSTEIN. Mr. President, I call up amendment No. 2470.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] proposes an amendment numbered 2470.

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

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mrs. FEINSTEIN. Mr. President, I believe this amendment has been cleared on both sides. What the amendment does is require procedures for a child support order for the child of minor parents, where the mother is receiving assistance for the child, to be enforceable against the paternal grandparents of the child.

For just a moment—what the Dole bill does is require a minor mother and her child to live at home with her parents, so the maternal parents are responsible. What my amendment would do is say, where it is possible, a child support order should be obtained against the parents of the male involved. It takes two to tango in this instance, and the responsibility for the care of the child should not only belong to the maternal grandparents but the paternal as well.

So this solves the other half of the problem.

Mr. DOLE. Mr. President, we have no problem with the amendment. It has been cleared on this side.

Mr. MOYNIHAN. It has been cleared on this side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2470) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOLE. Are there any other amendments that have been cleared? I think the Senator from Massachusetts has one or two minor amendments that I do not see any problem with.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I had amendment No. 2483, which I thought might have been cleared by now. I will be prepared to offer that if it has been cleared.

Mr. DOLE. I say to the Senator from New Mexico, if he will let me check that—what is the number?

Mr. BINGAMAN. Amendment No. 2483. I believe that is going to be acceptable. If it is, I am ready to offer it at any time.

Mr. DOLE. Let me check and I will be right back with the Senator.

I think the Senator from Massachusetts has two amendments.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

EN BLOC AMENDMENTS NOS. 2662 AND 2664

Mr. KERRY. I thank the Chair. We are just ascertaining the numbers. Mr. President, I ask amendment No. 2662 and amendment No. 2664 be called up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], proposes amendments numbered 2662 and 2664, en bloc.

Mr. KERRY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

(The texts of the amendments are printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. KERRY. Mr. President, these are two amendments which I thank the distinguished manager and majority leader and the Senator from New York for accepting.

Mr. President, as we trudge toward the rhetorical goal of ending welfare as we know it, we as a country must do better; we must embrace whole new ideas of how to accomplish this—if not now, at least in the future—primarily by investing in impoverished children and secondarily by providing a safety net for their parents. The guiding principle of our new system should be to summon the very best effort this country can mount to enable children who are victims of poverty to become self-sufficient adults capable of contributing to our society in a positive way and leading happy, fulfilling lives.

Dependency—whether it be on the foster care system when a person is a child, or on Government institutions such as the welfare or criminal justice systems if a person is an adult, or on drugs at any age—is a tragic waste of human potential and imposes costs we as a nation need not suffer and cannot afford to pay.

In many ways, welfare works—it is perhaps the cheapest means of getting the bare minimum of resources to the neediest slice of the American public; but in critical ways, it does not—it can perpetuate dependency rather than inculcate self-sufficiency. At the very least, by itself, it does not promote movement toward self-sufficiency.

The way to make the most of the current welfare reform movement is—without ignoring the good welfare may have done over the years—to design our priorities and construct a better system able to meet the minimal needs of today's recipients while doing everything possible to ensure that children on welfare don't become adults on welfare and that adults on welfare move whenever possible toward self-sufficiency.

The focal points for any effort to replace welfare with an intervention program which targets children must be our Nation's schools. There is a vital role that schools must play that they can't play without greater resources, voluntarism, and attention.

In cities beset by crime and violence, and in rural areas with little to inspire or occupy children, the neighborhood public school must become a beacon—a warm, safe haven of learning, of values, of friendship, of intellectual growth.

No school in such areas should shut its doors at 3 p.m. and stop its contribution to children's and parents' lives.

Case in point is teenage mothers, especially those who fail to avoid having children because they see no worthwhile future that awaits them if they avoid having children.

We must invest in efforts to educate these children about the costs and realities of parenthood, and we must invest in education programs that provide real futures for school-age pregnant girls and new mothers and, where they can be identified, new fathers.

We must think in the longterm, and understand that money dedicated to ending welfare dependency by investing in children will not only save money in the long run, it will help save this country.

We are throwing away our future by ignoring the children of this country. One day all who can read this article will be senior citizens, fully dependent on the babies we neglect today. So will be our Nation and its future.

If we fail to meet the needs of these children, not only will we fail to maintain this country's status as leader of the democratic world to which we have contributed so much, but we will devolve into a country consumed by crime and poverty the likes of which this Nation cannot imagine.

We have already fallen deeper into crime than our parents would have ever dreamed. It will not matter that parents have raised their own children well if they raise them so they are alone in that distinction. Without concerted, collective effort, even children raised with love and concern—whether in low income or high income families—will not be safe and secure.

We have already lost a frightening number of a complete generation of children to unambitious welfare programs, inadequate schooling, and societal neglect. Nothing less than the survival of our Nation depends on our collective assumption of our responsibility of this Nation's young.

Parents, schools, communities, and the Government need to become immersed in the development and enculturalization of children.

I believe we need to face the reality that this welfare debate is part of a much larger debate that we will be forced to have in this country in the not-too-distant future. It is a debate that speaks to the soul of America, and ultimately will have to come from our hearts as well as from our heads. It is a debate about not only solving our fiscal deficit, but also about addressing the cultural and spiritual deficits that seem to be tearing at the fabric of our society.

It is about a welfare mother who can't read and a system that doesn't care. It is about a teenager with a child she cannot care for and a community that will not help. It is about what we ultimately decide is the legitimate cost of failing to care, and about what we are willing to invest in the effort to manifest the care we claim.

We need to address the basic philosophical issue of responsibility to each other as a community of people.

The battle is over how we do this. How do we stop children from having children? How do we solve the problem of mothers who cannot work because they have no daycare for their children and no extended family able to help them? What do we do about young teenagers growing up in increasingly violent neighborhoods—kids with diminished valves and an increasingly diminished sense of right and wrong? We are seeing the rise of a generation of Americans who think there's more power in the barrel of a gun than in the memory of a computer.

The true question is how do we prepare for a better future in this Nation? The answer, I believe, is to invest in people and to seek long-term solutions to welfare problems to improve our collective future rather than succumb to simple-sounding, quick fixes that carry tremendous unseen burdens for our future.

But, Mr. President, the bill we have before us simply does not do what needs to be done.

I offer two amendments today that invest in children, education, and families, reaching toward the objective that no one will be isolated from the mainstream of productive society.

Mr. President, it is well-established that some children of welfare dependent parents are subjected to inadequate care, supervision, and parental love and attention, to unsafe environments and undesirable influences. It should come as no surprise that many of these children fail to develop into responsible, self-sufficient adults who are contributing members of society. Too often welfare becomes a repetitive cycle extending over multiple generations rather than a temporary situation.

Part of the answer to breaking this pathological cycle is to require parents seeking welfare to take an active role in the supervision, education, and care of their children. Another part is to make better and more efficient use of existing public resources and investments for the benefit of at-risk children. Notable among those resources and investments are our public school facilities.

While I do not believe it is possible for our Nation to successfully and acceptably resolve our current welfare problems wholly without further public investment, neither of these two partial answer to those problems entails significant additional cost.

We cannot afford to neglect children when we know full well that improving their surroundings helps prevent their long-term dependence on government aid. All the nations with which we are competing in the new global marketplace are acting in recognition of that fact—except us. We must boldly pursue the long-term benefits promised by concerted efforts to make maximum use of our schools and educational facilities, and by insisting that all welfare recipient parents accept basic parental responsibilities—that many of them routinely perform admirably under difficult circumstances but some appear to ignore.

My amendments would move in these directions.

My first amendment would provide funds for demonstration projects so keep schools that serve at-risk children open for more hours and to initiate

new programs so that schools can offer an alternative to the street for our Nation's unsupervised youth. This companion program would complement the Community Schools Program.

My second amendment would require parents to sign a parental responsibility contract that would demand, in exchange for benefits, that parents take an active role in the supervision and education of their children.

Mr. President, these two amendments are only first steps. But they are steps in the right direction: toward the brighter future of this Nation.

Mr. DOLE. Mr. President, I have no objection to the amendments.

Mr. MOYNIHAN. There is no objection on this side. To the contrary.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the en bloc amendments.

The en bloc amendments (Nos. 2662 and 2664) were agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. KERRY. I thank the majority leader and thank the Senator from New York.

Mr. DOLE. As I understand it, the Senator from California has a demonstration amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

AMENDMENT NO. 2479

Mrs. FEINSTEIN. Mr. President, I call up amendment No. 2479.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] proposes an amendment numbered 2479.

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

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mrs. FEINSTEIN. Mr. President, what this amendment does is essentially assures that, in those large counties or groups of counties with a population greater than 500,000, that there be provision, with permission of the State—this is the modification in the amendment—that the money, the block grant, go directly to the county. So we have modified the amendment from its original presentation. My understanding is that it is agreeable to both sides.

The purpose of the amendment is, really, so many of the innovative demonstration projects that are initiated by counties, which I pointed out in my opening remarks on this amendment, can go ahead without an additional element of bureaucracy.

Again, the State would have to approve this, but for those counties that do their own administration, this would continue to be the case.

Mr. DOLE. Has the modification been sent to the desk?

The PRESIDING OFFICER. The Chair reports the modification does not appear to be at the desk.

Mrs. FEINSTEIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. LEVIN. Mr. President, I ask unanimous consent the amendment of the Senator from California be temporarily laid aside so I can make a unanimous-consent request and have my amendment considered. It has been cleared.

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

AMENDMENT NO. 2486, AS MODIFIED

Mr. LEVIN. Mr. President, I now ask unanimous consent that a modification to my amendment, No. 2486, be sent to the desk and be in order.

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

The amendment (No. 2486), as modified, is as follows:

On page 12, between lines 22 and 23, insert the following:

(G) COMMUNITY SERVICE.—Not later than 3 years after the date of the enactment of this Act, consistent with the exception provided in section 404(d), require participation by, and offer to, unless the State opts out of this provision by notifying the Secretary, a parent or caretaker receiving assistance under the program, after receiving such assistance for 6 months—

(i) is not exempt from work requirements; and

(ii) is not engaged in work as determined under section 404(c),

in community service employment, with minimum hours per week and tasks to be determined by the State.

Mr. DOLE. As I understand, the amendment, as modified, is acceptable on this side.

Is that correct?

Mr. MOYNIHAN. It most assuredly is on our side.

Mr. LEVIN. Mr. President, if I could spend 30 seconds, I have long believed that work requirements should be clear, strong, and applied promptly. For too long we have permitted welfare dependency to undermine the potential productivity of too many able-bodied Americans. We have allowed too many able-bodied welfare recipients not to work. That is wrong.

The amendment which I am offering would add a requirement that welfare recipients be in job training and school or working in private sector jobs within 6 months of receipt of benefits, and if private sector jobs could not be found they be required to perform some type of community service employment. The requirement would be phased in over 3 years to allow States the chance to adjust administratively. We have added in this modification a opt-out provision for States by notification of the Secretary of Health and Human Services, and also to make clear the intent to conform to the modifications which Senator DOLE made to his amendment No. 2280 last week.

The bill before us requires recipients to work within no more than 2 years of receipt of benefits. Why wait that long? Why wait 2 years? Unless an able-bodied person is in school or job training, why wait longer than 6 months to require that a person have a private job or be performing community service?

My amendment says 6 months instead of 2 years.

There is no doubt that there is a great need in local communities across the country for community service workers. Last year, the demand for community service workers from the President's AmeriCorps Program was far greater than the ability to fund them. According to AmeriCorps, of the 538 project applications requesting approximately 60,000 workers, only applications for about 20,000 workers could be funded. Projects ranged from environmental cleanup, to assisting in day care centers, to home health care aides. It is clear that there is no shortage of need for workers in community service.

The Daschle amendment which was narrowly defeated last week contained a similar provision which was added as a modification at my request. It would require that recipients work in community service employment if not employed in the private sector, engaged in job training or in school, and it would require that States offer the community service option to such recipients.

Mr. President, I have long been concerned about the cycle of dependency and the need to return welfare recipients to work. As long as 14 years ago, in 1981, I was the author, along with Senator DOLE, of legislation which was enacted into law that put some welfare recipients back to work as home health care aides, thereby decreasing the welfare rolls and increasing the local tax base.

This demonstration project called for the training and placement of AFDC recipients as home care aides to Medicaid recipients as a long-term care alternative to institutional care, and was subject to rigorous evaluation in both the demonstration and post-demonstration periods.

The independently conducted program evaluation found that during six of the seven demonstration projects, trainees' total monthly earnings increased by 56 percent to more than 130 percent. Evaluations in following years indicated similarly positive and significant income effects. Consistent with the increase in employment, trainees also received reduced public benefits. All seven States moved a significant proportion of trainees off of AFDC. In

four of the States, a significant proportion of the trainees also were moved off of the Food Stamp Program or received significantly reduced benefit amounts.

Additionally, the program evaluation indicated that it significantly increased the amount of formal in-home care received by Medicaid clients and had significant beneficial effects on client health and functioning. The evaluation also indicated that clients benefited from marginally reduced costs for the services they received.

As the 1986 evaluation shows, this type of demonstration had great potential in allowing local governments to respond to priority needs and assist members of their community in obtaining the training necessary to obtain practical, meaningful private sector employment and become productive, self-sufficient members of their community.

Mr. President, I want to highlight a particularly wise provision in Senator DOLE's bill. It is a provision which states that any recipient may be treated as participating in community service employment if that person provides child care services to other individuals participating in the community service program. This is a good idea. It opens a way for many able-bodied persons currently on welfare, to provide a service to others, meet work requirements, and, at the same time, free others to work who may otherwise have difficulty locating affordable child care. I hope that many States will vigorously exercise this provision and that recipients will heed the encouragement to provide child care services as a way of engaging in community service employment.

Mr. President, I am hopeful that in the 104th Congress, we will take the necessary steps to get people off welfare and working, in the private sector, if possible, but in community service, if necessary. Experience has shown we must be more aggressive in requiring recipients to work. I believe my amendment is a firm step in the right direction.

Mr. President, I thank Senator MOYNIHAN and Senator DOLE and their staff for working with us on this.

Mr. MOYNIHAN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2486), as modified, was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DOLE. Mr. President, I think they are working out a modification on the amendment of the Senator from California, Senator FEINSTEIN. I understand there are four or five amendments that will be cleared here momentarily.

I would like to indicate that I will consult with the Democratic leader and hopefully have a cloture vote here within the next hour. I do not think we are going to reach an agreement. And we are not going to pass the bill if we have to accommodate every request from the other side.

So I am prepared to have a cloture vote. If we do not get cloture, this bill will go into reconciliation.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, I see the Senator from California has risen.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

AMENDMENT NO. 2479, AS MODIFIED

Mrs. FEINSTEIN. Mr. President, I send a modification to amendment No. 2479 to the desk.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 2479), as modified, is as follows:

On page 69, strike lines 18 through 22, and insert the following:

"SEC. 413. STATE AND COUNTY DEMONSTRATION PROGRAMS.

"(a) NO LIMITATION OF STATE DEMONSTRATION PROJECTS.—Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State providing that such State contains more than one country with a population of greater than 500,000.

"(b) COUNTY WELFARE DEMONSTRATION PROJECT.—

"(1) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Agriculture shall jointly enter into negotiations with all counties having a population greater than 500,000 desiring to conduct a demonstration project described in paragraph (2) for the purpose of establishing appropriate rules to govern the establishment and operation of such project.

"(2) DEMONSTRATION PROJECT DESCRIBED.—The demonstration project described in this paragraph shall provide that—

"(A) a county participating in the demonstration project shall have the authority and duty to administer the operation of the program described under this part as if the county were considered a State for the purpose of this part;

"(B) the State in which the county participating in the demonstration project is located shall pass through directly to the county the portion of the grant received by the State under section 403 which the State determines is attributable to the residents of such county; and

"(C) the duration of the project shall be for 5 years.

"(3) COMMENCEMENT OF PROJECT.—After the conclusion of the negotiations described in paragraph (2), the Secretary of Health and Human Services and the Secretary of Agriculture may authorize a county to conduct the demonstration project described in paragraph (2) in accordance with the rules established during the negotiations.

"(4) REPORT.—Not later then 6 months after the termination of a demonstration project operated under this subsection, the Secretary of Health and Human Services and the Secretary of Agriculture shall submit to the Congress a report that includes—

"(A) a description of the demonstration project;

"(B) the rules negotiated with respect to the project; and

"(C) the innovations (if any) that the county was able to initiate under the project.

"(5) eligible countries are defined as:

"(A) a county that is already administering the welfare program under this part;

"(B) represents less than 25% of the State's total welfare caseload."

Mrs. FEINSTEIN. I believe, Mr. President, that these modifications have been cleared, and are as I reported earlier.

Mr. MOYNIHAN. I believe that is the case on our side, Mr. President.

Mr. DOLE. The amendment has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2479), as modified, was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mrs. FEINSTEIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. I thank the Chair.

Mr. DOLE. Mr. President, in an effort to protect the rights of the Senator from North Dakota [Mr. CONRAD], I ask unanimous consent that in the event of a cloture vote, if cloture was invoked, his amendment would still be in order under the same conditions, the same time limit as previously ordered.

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

Mr. CONRAD. Mr. President, I thank the majority leader for his usual gracious consideration.

I thank the Chair. I yield the floor.

I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

AMENDMENTS NOS. 2578, 2481, 2670; 2542, AS MODIFIED; 2551, AS MODIFIED; 2601, AS MODIFIED; 2507, AS MODIFIED; AND 2280, AS FURTHER MODIFIED

Mr. DOLE. I ask unanimous consent that the Senate now proceed to the following amendments en bloc, that the

amendments be considered modified where noted with modifications, which I will send to the desk at the appropriate time: D'Amato No. 2578, Feingold No. 2481, Kerrey of Nebraska No. 2670, modified McCain 2542, modified Kohl 2551, modified Faircloth 2601, modified Wellstone No. 2507.

And then finally a further modification to amendment No. 2280.

I send the modifications to the desk.

The amendments (Nos. 2542, 2551, 2601, 2507) as modified, are as follows:

AMENDMENT NO. 2542

On page 216, line 4, strike ''6 months'' and insert ''1 year''.

AMENDMENT NO. 2551

On page 158, between lines 14 and 15, insert the following:

SEC. 801. DECLARATION OF POLICY.

Section 2 of the Food Stamp Act of 1977 (7 U.S.C. 2011) is amended by adding at the end the following: ''Congress intends that the food stamp program support the employment focus and family strengthening mission of public welfare and welfare replacement programs by—

''(1) facilitating the transition of low-income families and households from economic dependency to economic self-sufficiency through work;

''(2) promoting employment as the primary means of income support for economically dependent families and households and reducing the barriers to employment of economically dependent families and households; and

''(3) maintaining and strengthening healthy family functioning and family life.''.

On page 189, between lines 17 and 18, insert the following:

(d) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of the Act (7 U.S.C. 2025(h)(2)) is amended by inserting before the period at the end the following: '', including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work''.

On page 189, line 18, strike ''(d)'' and insert ''(e)''.

AMENDMENT NO. 2601

On page 190, between lines 17 and 18, insert the following:

''(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the food stamp program.

On page 190, line 18, strike ''(2)'' and insert ''(3)''.

On page 202, line 15, strike the closing quotation marks and the following period.

On page 202, between lines 15 and 16, insert the following:

''(3) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the food stamp program.''.

AMENDMENT NO. 2507

On page 161, strike lines 8 through 12 and insert the following:

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: ''(11) a one-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,''.

Beginning on page 161, strike line 24 and all that follows through page 162, line 3, and insert the following:

(B) in paragraph (2), by striking subparagraph (C) and inserting the following:

''(C) a payment or allowance described in subsection (d)(11);'';

The modification to the amendment (No. 2280, as further modified) is as follows:

Add the following to the end of subsection (D): '', state funds expended for the Medicaid program under title XIX of this Act or any successor to such program, and any state funds which are used to match federal funds or are expended as a condition of receiving federal funds under federal programs other than under title I of this Act.''

Mr. DOLE. Further, that the amendments be considered agreed to and that any statements relating to them be placed at the appropriate place in the RECORD.

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

So the amendments (Nos. 2578, 2481, 2670, 2542, as modified; 2551, as modified; 2601, as modified; and 2507, as modified) were agreed to.

Mr. DOLE. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2507

CERTAIN LIHEAP EXPENSES SHOULD BE EXCLUDED FROM INCOME

Mr. WELLSTONE. Mr. President, the amendment I am offering today is designed to address a potentially serious oversight in the majority leader's version of the welfare reform bill which must be clarified. The Dole substitute would repeal the longstanding provision in the current Federal food stamp law which excludes from income measurements any regular Low-Income Energy Assistance Program benefits provided by State and Federal energy assistance programs, such as monthly utility payments. LIHEAP is the major Federal fuel subsidy program, which has in my State been a cold-weather lifeline for vulnerable unemployed people, the elderly, and children for many years.

As many of my colleagues know, Minnesota is often called the icebox of the Nation, where bitterly cold weather is the norm. In fact, Minnesota is the third coldest State, in terms of heating degree days, in the country, after Alaska and North Dakota. Especially in cold-weather States like Minnesota, funding for LIHEAP is critical to families with children and vulnerable low-income elderly persons, who without it could be forced to choose between food and heat. The LIHEAP program assists approximately 110,000 households in Minnesota, and provides an average energy assistance benefit of about $360 per heating season.

In the frenzy of getting this bill modified in the final days before it hit the floor, as was often the case with many of these so-called reforms, the net may have unintentionally been cast too widely. That is why some have urged that this repeal be corrected and clarified to ensure that it would only apply to regular energy assistance payments for heating and cooling, such as monthly utility payments, and not to the types of emergency furnace repair or replacement payments, or weatherization, or other similar payments, that are provided to many low-income Americans through State and Federal energy assistance programs.

My amendment will do just that. It explicitly excludes energy assistance payments for things like emergency furnace repairs and replacement, and weatherization expenses, from being counted as income for purposes of calculating eligibility for food stamp benefits. Unsafe and inoperative heating systems can pose serious problems, including fires, monoxide poisoning, and other life-threatening hazards. This amendment is designed in part to prevent people in my State, and across the country, from being forced to choose between eating, and heating, when their furnace breaks down or their home needs to be weatherized to protect them from severe cold. It is designed to allow them to make their homes safe and habitable, and protect their families from the cold, when faced with these immediate and urgent needs. Of necessity, my State has a strong and vital weatherization program, though efforts to slash LIHEAP funding over the years have required them to scale back substantially the services they can provide and the numbers of Minnesotans they can serve. Vastly more people in my State are eligible for LIHEAP than can be served in any given year. And these are very low-income people, including many seniors on fixed incomes. More than two-thirds of LIHEAP households have annual incomes less than $8,000; more than one-half have incomes below $6,000. Further, the average LIHEAP recipients spend 18.4 percent of their income on energy, compared with 6.7 percent for all households.

While there are other provisions of the Food Stamp Act which could be construed to exclude lump sum payments for things like emergency furnace repairs and replacement, and weatherization, I wanted to make certain that an explicit exclusion was contained in this bill for these kinds of expenses, to avoid any potential confusion or ambiguity on this matter down the road. I appreciate the support of Senator FEINGOLD, and his work on this amendment, and I am grateful that my colleagues from Indiana and Vermont are willing to accept the amendment.

Very simply, then, my amendment makes explicit an exclusion for certain State and Federal energy assistance payments, including those made to repair or replace broken furnaces, or to

weatherize homes by weatherstripping leaky windows and doors, by installing insulation, or by taking other steps as necessary to protect families from the cold. By excluding from income measurement all such one-time repair or weatherization payments, as distinguished from regular, ongoing LIHEAP utility payments, from the calculation of eligibility for food stamp benefits, of course I do not intend to have counted as income assistance payments made in situations where a family's furnace may need repair more than once in a winter, or may need certain types of weatherization more than once in a year. It is basically to exclude from income calculation energy assistance payments or allowances that are occasional and urgent, like a furnace repair, not those which are regular and ongoing, like a regular LIHEAP subsidy.

It is very simple, and will ensure that families are not, by a quirk of the bureaucratic rules, forced off the food stamp rolls because their furnace explodes, or goes off in the middle of a dark, cold night, and they replace it with help from LIHEAP. This amendment will prevent this bizarre result. When it is 30 degrees below zero, Mr. President—not uncommon in my State—that is a real emergency. And it must be dealt with immediately. We should make sure we do not build into the system disincentives for people to get furnaces fixed in a crisis, or incentives for elderly people or parents to risk themselves and their families in dangerous situations with unventilated space heaters or other hazards, simply because they are unable to afford, for example, modest furnace repairs.

As my colleagues from cold-weather States know, furnace repair and replacement can be very expensive, often costing several thousand dollars. This large and unexpected expense should not knock otherwise eligible families off the food stamp rolls simply because they need help for LIHEAP. We do not want to have people heating their kitchens with their stoves, or with leaky and dangerous kerosene space heaters, or with charcoal grills—all of which is done—because they could not afford to get their heat turned back on, or their furnace repaired or replaced, in the face of bitter cold weather. Each winter we read in the papers of people who die in such tragic situations. We must do all we can to ensure that does not happen, and this amendment takes another step in that direction.

Finally, let me say that I am still very concerned about the impact of the general provision in this bill, which repeals altogether the exclusion for ongoing, regular LIHEAP fuel subsidies for food stamp calculations, on thousands of people in my State. In Minnesota, LIHEAP does not even come close to paying the average $1,800–$2,000 costs of heating a home in the winter; people are still carrying most of these costs. But this particular amendment is crafted more narrowly, to meet the objections of those who insist that the general LIHEAP exclusion for food stamps be repealed outright. It is designed to make explicit an exclusion for that narrow category of energy assistance payments that are for the purposes I have described. I believe it is a real improvement to the bill, and I urge its adoption.

Mr. FEINGOLD. Mr. President, I am pleased that this amendment offered by my colleague from Minnesota [Mr. WELLSTONE] is being accepted, and am proud to join him as an original cosponsor. I believe that this amendment clarifies the bill to specifically exclude one-time capital improvement payments for home weatherization or repair or replacement of unsafe and inoperative heating and cooling equipment from counting as income when figuring food stamp benefits.

Under the Dole proposal as originally drafted there may have been ambiguity as to whether LIHEAP moneys received by individuals for one-time capital improvements count as income when figuring food stamp benefits. With this amendment, it is clear that this bill does not intend to affect such payments. LIHEAP is perhaps best known as the program that assists eligible individuals by subsidizing a portion of the costs of their home utility bills. However, as many in this body whose States have active LIHEAP programs are aware, LIHEAP moneys are also used by States, such as my home State of Wisconsin, in emergency situations to purchase new home heating and cooling devices and to weatherize homes.

My State is involved in two capital improvement programs funded by LIHEAP. Participants in these two programs would have been dramatically affected by the underlying bill if it were not amended. About $5.9 million of the LIHEAP grant funds received by my State of Wisconsin, about 15 percent of the total received, are combined with State funds and other Federal funds from the Department of Energy's weatherization program into a pool to conduct audits of eligible homes for one-time weatherization improvements, such as window replacement and weather stripping. At the same time these home weatherization audits are being undertaken, the State might also act to replace or repair a furnace which is found to be in disrepair. In fiscal year 1994, the last full year for which data are available, 5,800 homes were audited in Wisconsin, and of those 1,600 had their heating systems replaced.

In addition, the LIHEAP program in my State keeps $1 million in reserve, which it matches with oil overcharge funds, to conduct emergency activities in homes that it has not audited under its more routine audit program. In fiscal year 1994, 1,440 dangerous or inoperative furnaces were repaired or replaced on an emergency basis. This past summer, Mr. President, it was this program that responded to the blistering heat in the upper Midwest that claimed the lives of so many this summer.

This amendment is very simple, and I believe it makes a substantive improvement in the underlying proposal. Someone should not become ineligible for food stamps in a given program year, Mr. President, because their furnace breaks and the price of a new furnace, paid for by the LIHEAP program, would push them out of the eligible income bracket. Furnaces are extremely costly purchases for anyone, Mr. President. Even an average middle class Wisconsin family would have to budget in order to afford to replace one. Last year, the average cost of a new furnace provided by the LIHEAP program was $2,000. This expense could bump people on the margins out of the program, while their living standard, except for the fact that they may have averted both a house fire and personal injury by replacing their furnace, does not change at all.

I joined with my colleague from Minnesota because I am concerned that the counting of one-time LIHEAP payments as income may create a disincentive among food stamp recipients to undertake needed emergency repair activities. Some have argued throughout the debate on welfare reform that individuals receiving food stamp, AFDC, and other benefits make behavioral decisions that affect their benefit level. By their nature, Mr. President, these capital improvements are often unplanned and unpredictable. Every Senator in this body should be sensitive to the fact that sometimes the furnace just stops working, and these families, as hard as they might be working and trying to comply with the program as proposed, simply would not have the extra funds on hand to cover the repair. We should be very mindful of that fact that as individuals begin to move from welfare to work, as proposed by the measure before us, they are generating the primary support for them and their families—not savings. Without LIHEAP support there may be no other source of funds to act in these emergency situations.

While I am concerned about including LIHEAP utility bill subsidies as additions to income, I understand that excluding these rate subsidy payments would be a very controversial proposal. In my State, as in many others, LIHEAP never pays the whole heating bill. The amount of the bill paid ranges from 18.5 to 72 percent of the total, the individual always has the responsibility to pay a portion of the bill. Because they pay a portion, recipients are encouraged to conserve and to maintain a responsible payment schedule. As it is, Mr. President, in my home State of Wisconsin, the average LIHEAP household heating fuel cost is 10.6 percent of the recipient's total income, and after receiving assistance it is 5.7 percent of income; the average Wisconsin citizen's household heating fuel cost is 2.6 percent of their income.

To address the concerns that some have about the LIHEAP utility bill subsidy, however, this amendment is narrowly crafted to just address the issue of one-time LIHEAP payments. I believe that for safety reasons this amendment is also justified. As my colleagues know, old furnaces are extremely dangerous, as are the alternatives, such as space heaters. In crisis situations, my State LIHEAP program informs me, individuals resort to a whole host of heating techniques, including using charcoal grills indoors and relying on an electric or gas stove as a primary heat source. Despite the fact that this is 1995, Mr. President, 4 percent of Wisconsin LIHEAP program homes, or 5,720 households, are still wood heated, and 10 percent are trailer housing dependent upon propane tanks for their heat, another 14,300 households. Additionally, there is the concern of in-home carbon monoxide poisoning which, according to an article in the New York Times on May 14, 1995, sends 5,000 people each year to the emergency room with nonfatal illnesses and claims the lives of 250 people annually.

I think, Mr. President, that just as some in this body believe it would be a failed reform of the welfare system to continue to encourage people on the margins to engage in certain behaviors to increase their benefits, it would also be a failed reform if we were to encourage unsafe behavior by individuals for fear of losing benefits. This amendment avoids the classic heat or eat dilemma by clarifying that the Senate does not intend for one-time energy improvement payments to count as income, and I am pleased that it will be added to the underlying measure.

Mr. DOLE. Mr. President, I think we have made a lot of progress in the last hour, hour and a half. We have taken a lot of amendments, and I think right now I understand some of our colleagues are negotiating certain aspects of the bill. It is my understanding the Democratic leader would like to have us at this point have a quorum call so we would not be engaged in any—unless somebody wished to speak. We do not want any rollcall votes.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. I ask unanimous consent that the two amendments that were laid aside yesterday, the Faircloth amendment No. 2608 and the Daschle amendment No. 2672, be considered in order postcloture under the same restraints as previously agreed to.

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

Mr. MOYNIHAN. I thank the Chair. I suggest the absence of a quorum.

Mr. President, may I say we do not anticipate votes between now and 2 o'clock.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 5 minutes.

MEDICARE

Mr. DORGAN. Mr. President, the minority leader, Senator DASCHLE, and myself and some others held a press conference this morning to talk about Medicare and the plan that is to be unveiled by Speaker GINGRICH, Senator DOLE, and others to cut spending on Medicare. It was interesting, at the press conference the first question that was asked after a presentation was by a reporter, who said to Congressman GEPHARDT: ''Speaker GINGRICH just indicated today in his remarks that you lied; he, on three occasions, said you, Congressman GEPHARDT, lied about a portion of the Medicare debate.''

I thought to myself when the reporter asked that question, it is an interesting technique, again, to see if maybe the story for the next day will be about someone calling someone else a liar in their response, as opposed to the issue of what is going to happen with respect to Medicare. That is what most of us are concerned about. These debates should never be about the question of lying; the debate ought to be about truth. And the issue of truth and the question of Medicare is a very simple proposition.

I am going to offer on the next bill that comes to the floor of the Senate, which will be the appropriations bill on Commerce, State, Justice, a sense-of-the-Senate resolution. It is going to be very simple. I do not happen to think, by the way, we ought to have a tax cut proposal on the floor of the Senate at this point because I think until we get the budget balanced in this country, we ought not to be talking about tax cuts. But it is going to say if the majority party brings a tax cut to the floor of the Senate, that they limit that tax cut to those earning $100,000 or less, and use the savings from that—as opposed to the current proposal, which will give the bulk of the benefits to the most affluent in America—use the savings from that to reduce the proposed cuts in Medicare.

I want to ask people to vote on that because I think the question is, is it not a fact, no matter how much you try to tiptoe, dance, dodge, or weave, that the $270 billion proposed cuts in Medicare are designed in order to try to accommodate and accomplish a $245 billion tax cut, the bulk of which will go to the wealthiest Americans? The answer to that is clearly yes.

We were told earlier this year by the majority party, who advanced the $270 billion proposal to reduce Medicare funding, that they would provide details later. Today was the day to provide the details, and we have discovered that there really are not details that they want to disclose because those details will be enormously troublesome.

I indicated this morning that it is very hard for elephants to walk on their tiptoes. It is very hard to tiptoe around the details of a Medicare reduction of $270 billion and what it means to senior citizens, many of whom live on very, very modest incomes and who will, as a result of this, receive less health care and pay more for it. Why? So that some of the wealthiest Americans can enjoy a tax cut.

I think we ought to start over. I do not think we ought to have leadership calling anybody else liars. We ought to start over and talk about truth. The truth is this country is deep in debt. We ought to balance the budget before anybody talks about big tax cuts. It may well be very popular to be for tax cuts. But it seems to me that it is the right thing to be for balancing the budget. We had a debate about whether we should put that in the Constitution. We do not have to put that in the Constitution. All you have to do is balance the budget by changing revenue and expenditure approaches to provide a balance.

So I hope we will start over and decide no tax cut until the budget is balanced. When we deal with Medicare, as we must in order to make the adjustments necessary to keep it solvent for the long term, let us do that outside of the issue of whether the savings from Medicare should finance tax cuts. The answer to that is obvious. Of course, it should not finance a tax cut. Whatever we do to Medicare ought to be done to make it financially solvent for the long term.

THE FARM BILL

Mr. DORGAN. Mr. President, let me attend to one other item as long as the Senate is waiting on the welfare reform bill.

I would like to comment on the issue of the farm bill. We had some comments yesterday by the chairman of the Senate Agriculture Committee in which the chairman indicated that it was very difficult, if not impossible, to get a majority on the Senate Agriculture Committee to vote for some kind of a farm bill.

What is happening is that it is becoming evident to everyone that some have painted themselves into a corner on this question of agriculture. The proposed $14 billion cut in agriculture is way beyond what agriculture should bear in cuts. I have supported budget

cuts in agriculture and will support them again this year. But a $14 billion cut has now put the chairman of the Senate Agriculture Committee and the chairman of the House Agriculture Committee in a position where they cannot write a decent farm bill, and they know it. The chairman of the House Agriculture Committee now comes out with a proposal he calls the Freedom of the Farm Act. It is a white flag of surrender saying we understand we cannot finance a farm program, so let us forget it.

There is a much better way to do this. You can provide a better support price, a decent safety net for family-sized farms, and you can do it at the same time that you save the taxpayers $5 billion in the coming 7 years by targeting farm program support prices or that safety net for the family farmers, targeting it to family-sized farms. A number of us have been working on that. We have developed some plans which we will be announcing.

But our point is to say to family farmers, at least if there are those who are surrendering on the issue of whether or not they think family farms are important to their country's future, that many of us will not surrender on that. It seems to us that this country is best served by nurturing and protecting a network of family-sized farms in our country to produce Americans' foodstuffs.

We have for many, many years understood that the development and the maintenance of family farms nurture a lot of what is good in this country. Where do you find better family values than on family farms that nurture our small towns and, through migration, nurture our cities? It seems to me that the genesis of all of that starts out on the farm in our country, and we ought to decide that it is worth keeping.

It is worth keeping a farm program that provides some safety net for the only people left in this country who, first of all, do not know when they plant a seed whether they will get a crop. So they risk all that money at the front end. And then they do not know, if they get a crop, whether they will get a price. So you have twin risks which family-size farms simply cannot overcome unless we have some basic support price or some kind of a safety net.

In the coming days, I hope others will become aware as well that you cannot write a farm program that helps and nurtures a future for family farmers with the $14 billion that is now proposed in reductions. You can do it in a thoughtful way with even better price supports than now exist for the first increment of production and saving the taxpayers somewhere around $5 billion. That is what I hope the Congress will decide on later this year.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak for 5 minutes as if in morning business.

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

THE NEED TO SUSTAIN U.S. COUNTERNARCOTICS PROGRAMS

Mr. GRASSLEY. Mr. President, I have become increasingly concerned about the direction that our drug policy is taking. Not only has the present administration largely retreated on doing something meaningful to deal with illegal drug use, increasingly some in Congress seem to be catching this indifference. The result has been a steady erosion in our efforts to stop the flow of illegal drugs to the United States. Along with the cuts there seems to be an attitude that nothing works. Not only is this belief wrong, it has serious consequences.

According to Justice Department figures, there has been a steep decline in our interdiction of cocaine shipments in the past several years. This has resulted in an increase of at least 70 metric tons of additional cocaine on our streets. We have seen a drop in cocaine prices while purity has gone up. And now, we are seeing a disturbing increase in heroin imports and a rise in addiction. More seriously, we have seen attitude toward drug use shift among the most at-risk population—the Nation's young people. In just the last 3 years, surveys of attitudes of high school kids show a shift away from regarding drug use as bad, reversing a decade of decline in favorable attitudes. Moreover, recent polls indicate that high schoolers increasingly see drug availability and use among their peers as one of the most serious problems that they face.

And now we see yet more disturbing news that confirms the trend. The recent Household Survey released by Health and Human Services shows that drug use is on the rise, especially the use of marijuana, after a decade of decline. This is the consequence of President Clinton's drug strategy, which is to replace ''Just Say No'' with ''Just Say Nothing.'' What is even more disturbing is that the biggest increases coming among junior high and high school aged children. In those aged 12 to 17, the rate of illegal drug use increased from 6.6 to 9.5 percent. Coupled with reported changes in youth attitudes toward drug use, the trend is a sad reflection of what has happened in just a few short years. This age group is the most vulnerable population for potential drug use, and this has become the forgotten generation in our retreat from the drug issue.

Despite what many critics have argued, our counter-drug efforts were a success. Between 1985 and 1992, overall drug use declined by 50 percent, cocaine use by more than 70 percent. These are dramatic changes that reflect a major shift in public attitudes and patterns of behavior. Similar shifts in other areas of public concern—a 50 percent reduction in crime, for example—would hardly be regarded as failure. Yet, this is the way our efforts are commonly portrayed. This misinformation is then used to support decreases in the efforts that contributed to this progress. The results of the erosion of our efforts can be seen in increased drug use among the young and disturbing changes in attitudes that bode ill for the future.

This is not a fact lost on the public. While we in Washington seem to have forgotten the issue, the American public has not. A recent poll indicates that more than 80 percent of the public regard stopping the flow of illegal drugs to the United States as the number one foreign policy concern. In addition, more than 70 percent of the public consistently opposes legalization of illegal drugs. We make a great mistake in ignoring our past successes or our present failure to live up to our continuing responsibility that we have to do everything in our power to combat illegal drug trafficking and use.

I have recently become the chairman of the Senate Caucus on International Narcotics Control. I have accepted this responsibility because I am concerned about the direction, or rather the directionlessness, of our present efforts. We lack both the practical and moral leadership on this issue that are essential to maintaining our past successes. We in Congress have a substantial responsibility to represent the public interest on this issue. We need to insist on accountability. I plan to work with other Members of Congress to oversee the administration's efforts and to insist on consistent, well-conceived programs. I intend to work for adequate funding and attention, and to remind my colleagues of the continuing need to sustain effective counterdrug efforts.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

Mr. DOLE. Let me indicate to my colleagues that the reason we are not doing anything on the floor is that we are having some negotiations. It is my understanding—I know we will present to Senator DASCHLE, the Democratic leader, a proposal here in the next few moments.

MORNING BUSINESS

Mr. DOLE. Mr. President, if any Member wants to come over for morning business, I now ask unanimous consent we have a period for morning business from now until 3:30.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. DOLE. I think by 3:30 we will be in a position to make an announcement. If we can come together on an agreement it seems very likely that we can finish this bill fairly quickly.

If not, we would have a cloture vote, and even under a cloture vote if cloture were obtained it is my understanding that 91 amendments would qualify if cloture were invoked, which is not too exciting from my point of view. It would take a while to dispose of 91 amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MEDICAL EMERGENCY IN THE DIRKSEN SENATE OFFICE BUILDING

Mr. CHAFEE. Mr. President, I wish to call the attention of my colleagues in the Senate to a very dramatic episode that just occurred within the past hour and a half in the Dirksen Building.

Just outside my office, a gentleman, a guest—not of mine but a guest to the building—had a heart attack, collapsed on the floor, and while falling severely cut his head. And the young women in our office rushed out. One of them, a member of my office, is a Girl Scout leader, and knows CPR. Loosening the gentleman's necktie, she started CPR, and the other member of my staff—my personal secretary, Donna Davis—had the forethought to run down the corridor and get Senator FRIST, Dr. FRIST.

Dr. FRIST responded immediately—immediately—and went to work on this gentleman, who oddly enough was from Tennessee.

(Laughter in the Galleries)

Dr. FRIST did not check in advance.

I discussed this with members of my office, all of whom were out there watching trying to be helpful. They were unanimous in their praise and admiration for the manner in which Dr. FRIST responded, and he really knew what he was doing. He took complete charge, applied CPR, and this gentleman who was out—I mean his heart truly had stopped—to the best of their knowledge was revived because Dr. FRIST, Senator FRIST, responded so quickly. Then the emergency people came, and he was taken over to the hospital where hopefully he will survive.

But this was a very, very dramatic occurrence. And I think all of us should have great admiration, respect, and affection for what Dr. FRIST did. I am sorry that he is not here to hear these remarks. But we are very, very fortunate to have him in the U.S. Senate—not as the Senate's physician, which I am sure we would be glad to have—but there is somebody who really knows his business, and responded in a tremendous fashion. So I want to praise our colleague, Dr. FRIST.

I want to praise everybody in my office who called and responded, and Patty Parmer and the Girl Scouts. She is a Girl Scout leader. I have always been a fan of the Girl Scouts. And this gives me added respect for that organization because she is a leader. They learn CPR, and it undoubtedly contributed to saving this gentleman's life.

So there we are, Mr. President. Sometimes we get deeply involved with $1 billion here, $1 billion there, and what we are going to do about child care and about maintenance of effort. But there are other things that are very, very important around here. And certainly Dr. FRIST, Senator FRIST, proved his mettle this afternoon.

I want to thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

BUDGET RECONCILIATION AND STUDENT AID

Mr. PELL. Mr. President, very soon the Senate Labor Committee will convene to consider how to meet the reconciliation instructions contained in the budget resolution approved earlier this year. It will mark the seventh set of reconciliation instructions sent to the Labor Committee since 1981.

The major entitlement program within the jurisdiction of the Labor Committee is the Stafford Student Loan Program. As a result, it has been the primary target in each and every reconciliation. Over the course of the past 14 years, in reconciliation and related deficit control measures, we have made almost 50 major changes in the loan program. Some are prudent and defensible; others were not.

While I have played an active role in meeting each of these instructions, I have done so with deep reservations. The primary motive in reconciliation is to save money. Unfortunately, determining whether or not the change has merit and constitutes good public policy has all too often been lost.

As I have indicated, some of the changes we have made under the pressures of reconciliation have been good; some have not. In 1981, for example, we imposed a 5-percent origination fee on all loans. Thus, a student who applied for a $2,000 loan would get only $1,900 but would have to repay the loan as if he or she had received the full $2,000. This was intended to be a temporary measure to save money; it became permanent and deserving students were the losers.

In 1987, we required State guarantee agencies to return to the Federal Government some $250 million in so-called excess reserves. The provision did not produce the expected savings, and it had the very adverse effect of endangering the stability and the very existence of many agencies. It proved to be an unwise and unfortunate move.

In 1993, in a dramatic departure from the previous reconciliation efforts, we took action that actually helped students. In particular, the competition between the new direct student loan program and the Stafford Loan Program already in place had given students improved services, better rates, lower fees and greater benefits. It would, in my judgment, be a shame to disturb that balance.

Earlier this year, we considered the budget resolution that would have required almost $14 billion in student loan cuts over the next 7 years. We brought that down to $4.4 billion, with the passage of the Snowe-Simon amendment, which I supported. On final passage, however, I voted against the resolution. I did so because one of my concerns was that it would produce dramatic reductions in a series of very important Federal programs, not the least of which was the loan program.

When the budget resolution came back to the Senate after conference with the House, most of the gains we made with respect to the Stafford Loan Program were lost. We were confronted with having to come up with more than $10 billion in savings in the loan program. As a result, I know that I for one voted against the conference report. I did so because I believed its passage meant we would make a series of unwise and unreasonable cuts in the loan program.

Over the past six reconciliations, everyone has been hit. Lenders, guarantors, secondary markets, and students—particularly students—have felt the budgetary knife. No one has been immune. All have sacrificed.

And soon, the loan program will go back to the operating table once again to require cuts so large that everyone will be subject to the knife.

I have already gone on record opposing any cuts that will affect students. In particular, I oppose any change in the in-school interest subsidy and any change that might be passed on to students. Students are already hard pressed to make ends meet as they pay for a college education. We should not make that situation worse, either while they are in school or as they repay their loans after graduation.

At the same time, I am also concerned that additional cuts among

lenders, guarantors, secondary markets, and other program participants could threaten the very stability and the very viability of the entire loan program. Adverse changes could well threaten student access to the loans they need and must have.

Further, I believe we should keep the agreement we reached in conference 2 years ago with respect to the direct student loan program. More than anything else, that agreement has worked to the benefit of students, and it is aid to students that should be our main concern.

Mr. President, I wish to make it as clear as I can that enough is enough. It is time we left the loan program alone. It is time we considered changes solely on their merits and not because they appear to save sufficient money to meet our meticulous reconciliation instructions. It is time we understood, once and for all, that the best way to reduce the deficit which hangs over us is through a strong economy supported by a well educated and well trained work force.

I favor bringing the deficit down. We all do. But I do not favor doing that on the backs of those who need our help the most—the elderly, the poor, the middle-income wage earner, and I think, most importantly, the students upon whom we must all eventually depend to keep our Nation strong and vibrant. In particular, I do not favor making cuts in the loan program or other valuable programs just to pay for a tax cut.

To my mind, the time has come for us to say no to the instructions given the Labor Committee. It is time to say no to cuts in the student loan program. It is time we took students out of harm's way.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. SANTORUM. Mr. President, I ask unanimous consent that morning business be extended until 4 p.m., under the same provisions of the previous unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

REPEATING A MISBEGOTTEN AND SHAMEFUL ERA

Mr. MOYNIHAN. Mr. President, as we contemplate the compromise by which we can agree to end the entitlement under the Social Security Act, title IV–A for States to receive a share of the costs for providing for dependent children, I would like to share simply for the RECORD a portion of a letter from Irwin Garfinkel, Alfred Kahn, and Sheila Kamerman of the Columbia University School of Social Work who are so concerned with what we may be doing here, and they write:

> As we are sure you know, a similar madness pervaded the nation at the close of the 19th century. Then, of course, relief policy was—aside from Civil War veterans and their survivors—strictly a state, and in practice, mostly a local responsibility. As a consequence of the severe cutback in relief—

And here I interpolate that the Charity Organization Society managed to get hold of the effective control of local private agencies in many parts of the country.

> as a consequence of the severe cutback in relief, we began sending large numbers of children of single mothers to orphanages. The children were referred to as half-orphans. In reaction, 40 states established mothers pensions, the forerunner of ADC. Though we take some comfort from the reaction, our hope—that 100 years later the Nation might be spared another such misbegotten and shameful era before regaining its senses—grow dim.

I will just repeat that:

> . . . our hope—that 100 years later the Nation might be spared another such misbegotten and shameful era before regaining its senses—grow dim.

I will say, Mr. President, that what happened in 1935 was that the State mothers' pensions were increasingly difficult for the State governments to maintain, and so they were taken over under the title IV–A, Aid to Dependent Children, which was just children at that time.

In 1939, the mother was entitled to a benefit, and it became aid to families with dependent children, the program we are evidently intent upon abolishing and repeating ''a misbegotten and shameful era.''

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

A MISSED OPPORTUNITY

Mr. INHOFE. Mr. President, I think earlier today we missed an opportunity. It seemingly went by unnoticed when an amendment was offered that addressed a very sensitive area and an essential element of welfare reform, and that is a recognition that it has become a snowballing effect that a family that has welfare problems, or is on the welfare rolls, quite often the next generation comes down and is also inflicted with this same problem.

This was in the amendment offered by Senator FAIRCLOTH, No. 2609. I regret that it only received 17 votes on the floor of the Senate, and yet, I do recognize it is a very sensitive issue to deal with.

We have become and found ourselves in a situation in this country where it is a welfare trap and snares not only current recipients, but their children as well. Young women who grow up in welfare families are more than twice as likely to receive welfare themselves as their counterparts whose parents received no welfare.

I have three very short cases I will identify. These happen to come from the State of Oklahoma. They will only be identified by the individual's first names.

There is Marie, a 43-year-old, has nine kids by five different fathers. The mother was on welfare for 30 years. Marie's own daughters are unwed teen mothers on welfare.

Denise, 29 years old, had her first child at 16. She now has an additional four daughters, all born under the welfare system. Both her sisters are unwed welfare mothers with eight children.

Jacqueline, 37 years old, a mother at 15. She was born to a welfare family of 12 children. Her unwed daughter had four illegitimate children by the time she was 20.

Out-of-wedlock births and single parenthood are quickly becoming a normal lifestyle in this country. I am not sure that the Faircloth amendment was worded quite properly, but at least it did address a very serious problem that we are going to have to, sooner or later, address in this body.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

ABANDONING A COMMITMENT

Mr. MOYNIHAN. Mr. President, early today—well, at 10 o'clock this morning—we were to have commenced a series of votes that had been agreed on yesterday. There was, necessarily, a delay as Members on the other side were at a meeting with their House counterparts on, I believe, Medicare. We had a half an hour in which to talk about whatever came to mind.

I took the occasion to read a passage from the first page of the New York

Times which described the White House as ''exceedingly eager to support a law that promises to change the welfare system,'' which is to say abolish title IV–A, Aid to Families with Dependent Children.

It went on to say the White House was ''sending increasingly friendly signals about the bill.''

This is a bill which three professors at the Columbia School of Social Work, including the revered Alfred Kahn, said would recreate the turn-of-the-century era in which the children of single mothers were referred to as ''half orphans'' and sent to orphanages.

In reaction, 40 States established mothers' pensions, the forerunner of aid to dependent children. The 1935 legislation created aid to dependent children. In 1939 the mother was entitled to a benefit, hence family with dependent children.

They said, ''It is our hope that 100 years later the Nation might be spared another such misbegotten and shameful era.''

Mr. President, I spoke this morning not only about the New York Times this morning but rather of yesterday's statement, a statement by Rahm Emanuel, a White House spokesman, who said as the bill headed toward a vote on final passage, Rahm Emanuel, a White House spokesman said it was ''moving in the right direction.'' ''Moving in the right direction,'' is moving in the direction of the misbegotten and shameful era which took place at the turn of the century from which we gradually recovered our senses.

I have since been in touch with the White House. I have talked to persons there and asked, can it be that this is the disposition of the White House? I am told that, yes, Mr. Emanuel, who I believe was the fundraiser for the 1992 Presidential campaign of Mr. Clinton and then was political director in the White House, that he is in charge of this matter now and that it is his view that the Democratic Party should abandon its commitment 60 years in place—a commitment Republican Presidents have been just as firm in—to a Federal provision of aid to dependent children.

Mr. President, Rahm Emanuel is of that view, and obviously he is, he does not disguise it. I wonder about what other political advice he is giving in the White House.

I will not speculate. I will state my alarm. No one can foresee the future. I do not. Yet we have seen something like this happen before. I can say again, when Irwin Garfinkel, Alfred Kahn, and Sheila Kamerman refer to the possibility that ''100 years later the Nation might be spared another such misbegotten and shameful era before regaining senses,'' they say that hope grows dim.

If this is the advice the President is getting, that hope is dim, indeed. I say this with great reluctance, Mr. President, but something of great importance, in my view, is at stake. I yield the floor.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the period of time for morning business be extended until 4:30 under the previous unanimous consent request.

Mr. DODD. Reserving the right to object, may I inquire as to how much longer that will go? Are we going to have some sense of——

Mr. SANTORUM. My understanding is the two leaders are meeting. In fact, I believe they may be meeting as we speak, and we are trying to find an agreement on the legislation before the Senate.

The PRESIDING OFFICER (Mr. GREGG). Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. SANTORUM. Mr. President, I ask unanimous consent that a period for the transaction of morning business be extended until 5 p.m. under the same rules governing the previous unanimous consent agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

Mr. DODD. Madam President, parliamentary inquiry.

Are we in morning business, as I understand it?

The PRESIDING OFFICER. That is correct.

CHILD CARE

Mr. DODD. Madam President, I will take advantage of this time while we are waiting here. Let me explain. People are wondering what is going on—I have a podium in front of me and papers in front of me. I am prepared at some point to offer an amendment on child care. We had one vote already several days ago and made an effort here to try to come to some accommodation, a compromise position on child care. That may still happen. I was hopeful that the arrangement put together would work—and it may still work.

I am prepared to offer the amendment. I have been here on the floor now for virtually the last 2½, 3 days, trying to find a compromise. I am trying hard to find a welfare reform package I can vote for. I mean that very sincerely and deeply. I think the President would like to have a bill he could sign. And largely what happens, I suppose, in the next couple of hours might determine whether or not we will have a bipartisan bill.

My own view, Madam President—I will not take a lot of time here because people have heard this debate on numerous occasions in days past, weeks past, months past. Senator HATCH of Utah and I offered, back some 6 or 7 years ago, the child care and development block grant bill, which became the law of the land in 1990. Five years ago, we provided child care assistance to people in the country, particularly to the working poor families to keep them off welfare and allow them to work. It allowed them to get some child care assistance—it does not take care of everybody—it provides some help to some people. There are long waiting lists in many States for this assistance. In fact, I recall now—having recited these statistics so many times, I can almost call them State by State.

As the presiding officer is from the great State of Texas, I think the waiting list in Texas is about 20,000 people. In the State of Georgia, it is 41,000 people. The numbers are in that range. And the 36 States that keep data on child care slots—not every State keeps waiting lists—but 36 States tell us that they have long lists. There is a tremendous need and demand out there.

Again, I think the central point of the Dole welfare reform bill is, of course, to get people from welfare to work. And again I think most people accept the fact that 60 percent of the people on welfare have children under the age of 5. Of the 14 million people on welfare, 5 million are adults, 9 million or 10 million are children. So what we are talking about here is a simple enough notion; that is, to provide some sort of a safe setting for children as we move their parent or parents into the work force.

To do that requires resources. We are told by the Department of Health and Human Services that to fill the 165-percent increase in demand that would occur as a result of the bill that the majority leader has presented to us, it would require some $6 billion over 5 years to accommodate that demand.

I offered an amendment in that amount a few days ago. It failed by a single vote here. Then, over the last 2½ days, in consultations with interested parties here—and I will not go into names of people—we were able to work out a compromise, a bipartisan compromise, on the issue. The compromise

reduced the $6 billion by several billions of dollars, which would mean that we would not meet the full demand, based on the assessments that had been made, but would provide a pool of money for States. This would mean that Connecticut, Texas, New York, and other States would have a pool of resources to assist in the very legitimate issue of how you move people from welfare to work.

Now, the bill requires that we move 25 percent of all welfare recipients to work in the first 2 years, and 50 percent by the year 2000. That will place great demands on States to make that transition. If they cannot meet the demands, of course, they face penalties in the bill. It probably would be less expensive for most States to pay the penalty than actually to comply with the law. I made that rough calculation. I think it is a common interest of ours to achieve compliance with the requirements.

To achieve compliance, you need to have some training for these people. But most people would agree, if you had to pick one issue, one issue that is critical for moving welfare recipients to work, it is child care. Every survey of people on public assistance, that asks what are the greatest obstacles to moving from welfare to work, cite as the number one obstacle the lack of child care. In every survey that I have seen in the last decade or more, that is the single most important issue, and I think with complete justification. You need not have ever been on public assistance or even have had family members on assistance to understand this issue. Anyone with young children, regardless of their economic status, who works or desires to work, understands completely the anxiety that another person would feel when going to work without some safe, adequate place to leave their children. It is just unrealistic to assume that you can reasonably move someone from welfare to work without accommodating that need.

Now, it can be accommodated in a variety of ways. No one is arguing that if there are grandparents or aunts or uncles or older children—there may be a variety of ways to reach that need. I think most would agree that those arrangements will not work in every case. You are going to have to have some other system in place. If it were not true, then you would not have the waiting lists I described already with literally thousands of children on those waiting lists to find an adequate child-care place.

So, Madam President, I will, at an appropriate time, offer, or try to offer, an amendment on this issue. It may be defeated. I hope it will not. I made an honest and sincere effort to compromise, as I believe the very rationale for this institution is to bring people of different points of view together and try to find some common ground on issues.

I really know of no one arguing, no one saying we should not do anything about child care. Most people agree we should do something about it. It is how we do it and what means we use. I have tried to come up with an answer here that would accommodate the Governors, the needs of the States, and obviously the very people that we are going to be asking to make that transition in the law.

So, I will offer the amendment at an appropriate time. If it is defeated, we will move on, I guess, to other amendments. I hope that will be the case, that we will not be talking about pulling down the bill or other suggestions that may be made. It is a difficult issue. The Senator from New York knows better than all of us put together, as he has talked about so eloquently on numerous occasions, dismantling 60 years of social policy in a matter of hours.

So the fact that this is taking a little longer may be troublesome to some people. Frankly, were it to be done in haste, it would even be, I think, more dangerous. I am hopeful that we can adopt an amendment in this area. I would like to be a part of an agreement. That is my desire. That has been my intention. There is no other purpose behind this.

I have been involved in the issue of child care for more than 10 years. Going back to the 1980's, I felt it was a legitimate issue that needed to be raised for a whole host of reasons. In the midst of this debate, it is a critical issue. In the absence of it, it is impossible to call this reform in any way. We should not literally turn our back on the needs of these 10 million children out there.

As I said a moment ago, of the 14 million people in this country on welfare, with all of the rhetoric and language we use in the most virulent terms to describe them, we should remind ourselves that 10 million of the 14 million we are talking about are infants and children, who in most cases, through no fault of their own, as the Senator from New York pointed out, are in this world.

The question becomes, if no one else will help try and take care of them, shouldn't someone? And if that someone has to be us, I do not know any reason why we should shrink from that responsibility as we try to break this cycle.

I see my colleague from New York.

Mr. MOYNIHAN. Madam President, may I simply endorse everything the Senator has said, and add a further point. We have a choice in this legislation. We can have child care or we can have orphanages. I think child care is the least expensive option, but you do not know how bad an orphanage might be.

We are not just at the end of 60 years of social policy. A century ago, in response to the matter of sending half-orphans, as they were known, to orphanages that some 40 States, beginning in Wisconsin, began mothers' pensions. The States found it difficult to maintain them in the midst of the Depression, and they were incorporated into the Social Security Act as aid to dependent children.

That is the issue before us, as best one can tell, although one can never tell the future.

I thank the Senator from Connecticut. I see the distinguished Republican leader.

The PRESIDING OFFICER. Who seeks recognition?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Madam President, I want to take a moment of the Senate's time, first of all, to commend my friend and colleague for the efforts that have been made over the period of the past 2 days. I welcome the opportunity to cosponsor the amendment; I welcome the chance to join with others in cosponsoring this amendment.

When you look over the record and realize that this initial amendment, which was the $11 billion over 5 years, just failed by two votes, the efforts by Senator DODD to cut that back by several billions of dollars in an attempt to try and reach out and make this a bipartisan effort is really in the tradition of this body.

It is troublesome to many who recognize that under the Dole proposal there is not a single cent dedicated to child care, not a single cent that is actually dedicated.

So we have seen a significant reduction in the proposal and a very extended effort to try and incorporate many of our friends and colleagues on the other side who, over a long period of their own careers, have been absolutely committed to child care and who are committed to child care at this time.

I want to indicate to our friends and colleagues, really on both sides, that his efforts to try and ensure this was going to be a bipartisan effort and consistent with the exigencies of the budget consideration has been absolutely an honorable effort and in the best traditions of the Senate.

Let me just say, I look forward to supporting that proposal because I do think that upon reflection, in spite of what is talked about in the back rooms about whether I will vote or whether I will not, that when people are faced with this issue of trying to take a small but meaningful step forward on child care will recognize the importance of their vote in a very significant piece of legislation and will ultimately support the Dodd proposal. That would certainly be my hope, so that we could move on to some of the other issues.

Finally, Madam President, I do not think there is any Member of this body who has children—and so many of us are blessed to have them—who would possibly think of starting a day without knowing their whereabouts and knowing about their safety and knowing about their security, knowing about their well-being.

I think all of us in this body are fortunate enough to have a day-care center that was developed in a bipartisan way in the Congress. We have the kind of day care available for employees of the Senate that we are denying to so many others who are attempting to work for a great deal less than we are receiving, in terms of salaries, trying to make ends meet.

We hear a great deal, as we did in the early part of the year, Washington does not get it because the laws we pass we do not apply to ourselves. Remember that? We went through a whole discussion and debate about that. And we should apply the laws that we pass for others to ourselves.

But the other shoe fits, too, and that is what we do for ourselves we might think about doing for others. What we have done is afforded the child care program, and now we are being asked to try and move people off welfare and basically avoid the fundamental commitment of trying to provide some child care to those individuals.

As Senator DODD and Senator MOYNIHAN understand very completely, that program just will not work. That just will not work. The idea that you are going to be able to take these resources, which is flat funding over a period of time, when about 85 percent of those resources are being used for benefits, and think that you are going to be able to scrape some funding out for child care, I think, does not hold water.

We have seen very little indication, given what has happened in the States, as the Senators from Connecticut and New York have pointed out, that is happening today and why we ought to expect it to happen in the future.

So, Mr. President, this is really about the priority of children. Every day so many speeches are made about children and about the most vulnerable. We have an opportunity to address those needs with the Dodd amendment. I think all of us should be impressed by the seriousness of the redressing of this issue.

It has been as a result of a long, painstaking, tireless effort by the sponsor of this amendment to try and broaden out and to work this process in a way that would have bipartisan support and would make a very important and significant improvement in the legislation. I am hopeful that when it is offered, that it will succeed. I think this will certainly be one of the most important votes that we will have in this session.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I have heard some speeches on the floor of the Senate and this ranks right up there. I do not know how you say—when the leader here is negotiating, in good faith, to in fact add more money into the child care fund—that somehow or another we are denying the fact that we need child care, and have Members on the other side who insist on having their name sketched next to the child care money, to throw out an agreement to do just that. I think that is not cooperation by any stretch of the imagination.

To also suggest that somehow we provide day care for workers here in the U.S. Congress and that we are not willing to do so in the welfare bill—maybe the Senator does not know it, but the people who have children in day care pay for that with the hard-earned dollars that they work for.

Mr. KENNEDY. Will the Senator yield?

Mr. SANTORUM. No, I will not yield. They work for it with their hard-earned dollars. What you are suggesting is to give money to people to go to work, to give them child care to go to work.

Mr. DODD. Will the Senator yield?

Mr. SANTORUM. No, I will not yield. The fact of the matter is that what the Senator from Connecticut is doing is trying to block an agreement from happening by insisting on an amendment on day care, which we are willing to sit—and have been for hours—and try to put together.

I am hopeful that we can get through the partisanship on this and move forward in a bipartisan way. And I know there are many Members on the other side of the aisle that want to work in a bipartisan fashion to get this bill through, to get day care money funded, because it is a sincere interest, I know, of the leader and of other Members on our side to get this legislation through with additional day care funds.

Mr. DODD. Will the Senator yield?

Mr. SANTORUM. We will and have been working. I object to the fact that the Senator from Massachusetts stands up and says we are giving free day care here in the Congress, and we are providing it for our folks when, in fact, they pay for that day care, and that we are unwilling to give it to people on welfare, when, in fact, we are going to be giving day care to people on welfare.

I just think you are mixing who is paying for what. The fact of the matter is, people working here paying for their day care are paying taxes to subsidize the people that we want to provide day care for under the welfare bill. Let us get it straight.

I am willing, as other Members on this side are, to put some more money in for day care so that people can get off of welfare. But do not try to suggest that somehow we are providing perks to Members here that we are unwilling to give on welfare. Exactly the opposite is the truth.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, I am going to propound a unanimous-consent request as soon as it has been cleared by the Democratic leader. I intend to finish this bill today one way or the other, even if there is not going to be a welfare bill. We have been at this for several hours in good faith. In the offer we made, which was rejected by the Senator from Connecticut, there is, over 5 years, $3 billion. I think his amendment was 5——

Mr. DODD. That was not the offer.

Mr. DOLE. We just changed it. He had $5.7 billion over 5 years. We said, OK, we will go more than halfway, to $3 billion over 5 years.

Mr. DODD. That is the first time this Senator heard that offer.

Mr. DOLE. My view is that is what the Senator wanted.

Mr. DODD. I will be glad to look at that. We can put in a quorum call. I say that with all due respect to the Senator.

Mr. DOLE. We changed it about an hour ago. As I understand it, it is more than halfway to where the Senator was with his amendment the other day. We checked it with some others, and they think this is a very generous, responsible offer. That would be $8 billion over 5 years set aside for child care

Mr. DODD. If the Senator will yield. We know each other very well, and I just say that offer was not presented to me. I would not say that if it were not the case.

Mr. DOLE. Then I will present it to you now.

Mr. DODD. Let us put in a quorum call and see if we can get the details.

Mr. DOLE. I do not think we have a problem here.

Mr. DODD. We may not.

Mr. DOLE. We have taken care of maintenance of effort and the job training. We are going to make it free-standing, under a time agreement. And contingency grant funds, which we did not have in our bill, was sponsored by the Senator from Ohio, Senator DEWINE. He thought about $530 million was appropriate. We made it $1 billion. So if some State has a calamity, they do not have to pay it back. We kept the loan funds of $1.7 billion, and we have accepted some of the triggers suggested. The work bonus program, that has been done.

On the vouchers, we have not reached an agreement, but we have increased the hardship exemption in the bill from 15 to 20 percent. We have added $75 per year for abstinence education, which has broad support. And program evaluation, of interest to the Senator from New York, and others, $20 million to evaluate the program. If that is not enough, we can raise it to $25 million.

I talked to Dick Nathan, who suggested that amendment; he is a well-respected academic. Food stamps, which we have discussed with the Democratic leader, has certain escape hatches. We do not think it punishes anybody.

We think it is a good package, and we think we can complete this whole bill in a couple of hours.

Mr. DODD. If the majority leader will yield—and I say this with great respect

and friendship, because that is the case—the offer presented to me was $3 billion over 7 years, along with a check on the financing schemes. I say, in fairness, that in my conversation with the Senator from Utah we talked about this, and I counteroffered with the proposal of $3 billion over 5 years. I was told it was rejected.

Under the circumstances, let us find out about where we are. If that is the case, I am prepared to sit down and take a good hard look at it. I was told something different, and that can happen around here as these offers go back and forth. I urge that maybe those involved look at the child care piece. I am not as familiar with the other pieces the majority leader described.

Mr. DOLE. I will say that the Democratic leader, Senator DASCHLE, gave me a list of six or seven items yesterday, and we have been able to accommodate part of each of those, with the exception of one where there was a time limit. Even there, we increased the percentage on exemption, hardship exemption, from 15 to 20 percent, which would cover that concern.

If the Democratic leader wishes to speak, I am happy to go over this with the Senator from Connecticut. We believe it is a responsible, reasonable effort. I might point out that we only save $5 billion in AFDC over 5 years and only $9 billion over 7 years. Total savings in the Senate bill, which are going to be reduced because of some of the things we have agreed to do, over 5 years, is $44 billion; the House bill is $75 billion. Over 7 years, ours is $71 billion; the House is $122 billion. So there is a vast difference between this and the House bill, as far as savings are concerned. We would like to complete action on this bill and go to conference.

Mr. DASCHLE. Mr. President, I wonder if we might suggest a quorum call for a brief period of time for us to be able to see if we can finalize some of the understandings as it relates to this agreement.

I think there are some misunderstandings here that may be clarified that could accommodate this agreement, even now.

I thought we had exhausted all possibilities, but maybe not. If that is the case, I think it is worth one more quorum call to see if we can resolve it.

Mr. HATCH. If leaders would withhold for a second, I think that the settlement on child care is utterly reasonable, something that can bring us together.

I commend both leaders for trying to bring this about. It is my understanding that the Hatch language on child care will also be part of that.

Mr. DASCHLE. That is what we will find out.

Mr. DOLE. The fencing will be but I am not sure about anything else.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DOLE. Mr. President, I have been in discussion with the distinguished Democratic leader and other colleagues on both sides. I think we have the framework of an agreement. We do not have it drafted. Nobody has signed off on it finally. But I think in the interest of time it has occurred to me and the Democratic leader, Senator DASCHLE, that maybe those who have outstanding amendments could come to the floor now and offer those amendments, hopefully in a very short period of time because we hope to go and will go to third reading hopefully by midnight tonight. But we are going to go to third reading on welfare reform between now and sometime, and we would rather do it by midnight if we could. I know there are a number of amendments we have looked at people can accept. We will try to be as accommodating as we can with our colleagues.

But I think that is the view of the distinguished Democratic leader; is that correct?

Mr. DASCHLE. Mr. President, I concur entirely. I think we have gotten to the point now where it may just be a matter of a period of time before we can submit the agreement and have a vote. But this is valuable time we are losing, and I know a lot of Members have come to me throughout the day expressing an interest in offering their amendments. I do not want to preclude them from doing so. I think they ought to come to the floor.

I have agreed that we can go at some point tonight to third reading. So we will finish this bill tonight at some point.

So to accommodate Senators who still have amendments, to ensure that we maximize what time we have left, whatever time it is going to take before we go to third reading, I encourage all of our colleagues to come over if they have amendments.

As the distinguished majority leader said, working with our ranking member, who has done a remarkable job—he deserves an award for sitting in the Chamber as long as he has—we are ready to go to work. We would like to finish with those amendments that are not part of this agreement, and there are many of them. So come to the floor as quickly as you can and see if we can resolve these outstanding issues.

Mr. BREAUX. Will the majority leader yield?

Mr. DOLE. Could I just say one word because the Democratic leader reminds me we are talking about amendments that would not impact on what we hope to have as an agreement here, child care—any amendment in the area we are looking at we hope would not be offered. We do not have an agreement yet. We hope there is. It may not be possible. So we hope Members would not offer amendments that would affect the agreement we hope to achieve.

Mr. BREAUX. Will the majority leader yield?

Mr. DOLE. Yes.

Mr. BREAUX. I thank the Senator for yielding. And I ask maybe our leader, both leaders actually. A great deal of work has been done, a lot of back and forth, and I think a good compromise has potentially been reached here. I am concerned, as our leader is, that there are a lot of other amendments—I do not know whether we have 30, 40 amendments that are still posted out there, and I am just concerned, is it the intent to finish the bill tonight, I ask both leaders?

Mr. DOLE. We hope to go to third reading this evening. We hope it is this evening. It may be tomorrow morning.

Mr. DASCHLE. I believe, if the majority leader will yield, in answer to the question, having had the chance to look at the amendments, most Senators would agree to relatively short time limits, and I do not think there is any reason why we cannot complete work on the remaining amendments tonight.

So I would again encourage Senators because it is 10 minutes to 6. There is some good time left tonight for us to accommodate Senators who come to the floor. And we will see what the list looks like. I expect it is going to be a lot less than 40. A number of these amendments will fall if they get this agreement. And we will just work through whatever remaining amendments Senators wish to offer, but we cannot do that if they do not come to the floor.

Mr. DOLE. It is still possible, I might add—I will certainly consult the Democratic leader. One way to eliminate some of the amendments would be with a cloture vote. Of course, you still have 91 amendments, but I think those would all be—there would not be any amendments to expand this program. They would be amendments to limit the program, so they might be good amendments. But we hope if we get some cooperation in the next hour or so that would not be necessary.

Mr. WELLSTONE. Mr. President, might I ask the majority leader a question? I certainly, first of all, know there has been a lot of difficult negotiation. And I respect that process very much.

But as I have listened to the majority leader, was he saying that built into this unanimous-consent agreement would be an understanding that there could be no amendments in the same areas in which you have reached agreement with amendments? And if that is the case, then would Senators have an opportunity to at least, as opposed to that being hammered out back in our offices, have an opportunity to look at what that means?

Mr. DOLE. Right.

Mr. WELLSTONE. I know without looking at the areas, it is difficult to say whether you would agree or not.

Mr. DOLE. Child care is one thing we are working on. Maintenance of effort has already been taken care of.

Job training. We have an agreement, if we have an overall agreement, to take the job training provisions out of this bill and have a freestanding bill. That agreement has already been reached between Senator KASSEBAUM and Senator KENNEDY. We will take that up sometime after the appropriations bills are done.

Contingency grant fund. That is in response to a request by Senator DASCHLE and the Governors and Senator DEWINE, and certain things that must happen about matching and when it is triggered.

Work bonus. That has been done. Some question about vouchers. We have not reached an agreement on that, but we have agreed to expand the current hardship exemption from 15 to 20 percent.

Abstinence education; $75 million per year earmarked for abstinence education.

Program evaluation was, I guess, a concern of the Senator from New York and others. We authorized $20 million. I think that is adequate. If not, it can be, I assume, adjusted.

Then we have been working on a savings provision with reference to food stamps. That has not been agreed to yet.

So those are the general areas. There are others that I do not—I know Senator COHEN and Senator BINGAMAN have an interest in SSI. The thing is, we need to find offsets for these. That is what we are trying to do this afternoon.

Mr. WELLSTONE. Mr. President, if I could just say to the majority leader and the minority leader, if you would be willing to give Senators some advance notice as to when you come out with the agreement. I would just like to have those areas and just sort of understand what is in the agreement before agreeing that there would be no amendments in this area. I am sure that I would agree to that, but I would just like to know what it is we are talking about since I was not part of the actual negotiation.

Mr. DASCHLE. I am sure we can accommodate the Senator.

Mr. WELLSTONE. I thank the Senator.

Mr. MOYNIHAN. Mr. President, pending the arrival of Senators wishing to offer amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, might I ask the majority leader a question? I certainly, first of all, know there has been a lot of difficult negotiation. And I respect that process.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

PRIVILEGES OF THE FLOOR

Mr. PRYOR. Mr. President, on behalf of Senator BIDEN of Delaware, I ask unanimous consent that Peter Jaffe, a detailee on the staff of the Senate Judiciary Committee, be granted floor privileges for the remainder of the 104th Congress.

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

Mr. PRYOR. Thank you, Mr. President.

AMENDMENT NO. 2495, AS MODIFIED

Mr. PRYOR. Mr. President, at this time I call up amendment No. 2495 and ask unanimous consent that the amendment be sent to the desk and that it be modified to reflect the language in this amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 52, lines 4 through 6, strike ''so used, plus 5 percent of such grant (determined without regard to this section).'' and insert ''so used. If the strike does not prove to the satisfaction of the Secretary that such unlawful expenditure was not made by the State in intentional violation of the requirements of this part, then the Secretary shall impose an additional penalty of 5 percent of such grant (determined without regard to this section).''.

On page 56, strike lines 11 through 14, and insert the following:

''(1) IN GENERAL.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply—

''(A) with respect to periods beginning 6 months after the Secretary issues final rules with respect to such penalties; or

''(B) with respect to fiscal years beginning on or after October 1, 1996;

whichever is later.

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. CORRECTIVE COMPLIANCE PLAN.

(a) IN GENERAL.—

(1) NOTIFICATION OF VIOLATION.—Notwithstanding any other provision of law, the Federal Government shall, prior to assessing a penalty against a State under any program established or modified under this Act, notify the State of the violation of law for which such penalty would be assessed and allow the State the opportunity to enter into a corrective compliance plan in accordance with this section which outlines how the State will correct any violations for which such penalty would be assessed and how the State will insure continuing compliance with the requirements of such program.

(2) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—Any State notified under paragraph (1) shall have 60 days in which to submit to the Federal Government a corrective compliance plan to correct any violations described in such paragraph.

(3) ACCEPTANCE OF PLAN.—The Federal Government shall have 60 days to accept or reject the State's corrective compliance plan and may consult with the State during this period to modify the plan. If the Federal Government does not accept or reject the corrective compliance plan during the period, the corrective compliance plan shall be deemed to be accepted.

(b) FAILURE TO CORRECT.—If a corrective compliance plan is accepted by the Federal Government, no penalty shall be imposed with respect to a violation described in subsection (a) if the State corrects the violation pursuant to the plan. If a State has not corrected the violation in a timely manner under the plan, some or all of the penalty shall be assessed.

Mr. PRYOR. Mr. President, the amendment does not have to be read, as I understand it.

The PRESIDING OFFICER. That is correct.

Mr. PRYOR. I thank the Chair.

Mr. President, I rise today to offer this amendment on behalf of myself and Senator GRAHAM of Florida. This is an amendment that I think speaks to some real need for a common sense approach to the issues of penalties that this legislation could burden our States with.

This amendment will give some flexibility to the penalty section that the States will be subjected to if they fail to quickly comply with the numerous requirements of this legislation.

Mr. President, this amendment has the support of the National Governors' Association, the National Conference of State Legislatures, and the American Public Welfare Association. I would like to take this opportunity to publicly thank these fine groups for endorsing and supporting this amendment.

Under the bill before us, Mr. President, as the States move to a more flexible block grant welfare system—and it appears that that is what is going to happen—the States of our Union are going to be subjected to harsh, inflexible penalties.

These penalties should be designed to encourage States to play by the rules, not to injure them for unintentional mistakes made while they are trying to recreate their entire welfare systems with very, very limited resources and very little time to do it.

This bill states that our States in our Union can be penalized by up to 5 percent of their block grant for each of the following violations. Let me reiterate, for each of the following violations: If a State, one, fails to submit a required report—any required report; if a State fails to use the income and eligibility verification system; if the State fails to comply with the increased paternity establishment and child support enforcement requirements; and if a State fails to meet work participation rates.

The Congressional Budget Office says that most States will not be able to meet these work participation rates in the short time allowed by the proposed legislation.

These penalties are very, very harsh. They are inflexible, and alone they could add up to 20 percent of a State's block grant.

But a State can be penalized an additional 5 percent under this proposal for the improper use of funds, even if that misuse is not intentional.

If I might cite a hypothetical example. If the State of Texas, for example,

unknowingly and by mistake erroneously paid $184 in welfare payments to a person who has violated his prison parole, the penalties would be as follows, Mr. President: The $184 that was improperly used, that would be a part of the penalty, plus 5 percent of the State's total block grant value which works out to be $25 million in penalties for the State of Texas.

In addition, the State of Texas would have to use State funds, not Federal funds but State funds, to make up this entire penalty. I am certain that this is a classic case of unintended consequences, and I feel very certain, Mr. President, that the authors of the original bill had no intention of penalizing our States in this manner.

In short, a State would be penalized in this situation, in this hypothetical condition, over $25 million for an unintentional $184 violation, and that is only for one violation, unintentional as it might be.

This amendment further solves a problem by applying a penalty of 5 percent only—only—if the improper use is judged to be intentional. If it is the result of an honest mistake, the State would still have to repay the amount misused, plus an additional amount of State funds to maintain the block grant.

An additional part of this amendment gives the State the necessary transition time that the States are going to need to put their welfare systems in place, while not delaying reforms in areas where the State is ready to move ahead. It will postpone the penalties of all but improper use of funds until 6 months after Health and Human Services issues the final rules. In the absence of final regulations, the States that try to interpret and meet the requirements of a statute in good faith may still be subject to penalties when the details of the law are fleshed out by Federal regulations.

Finally, Mr. President, the amendment I offer today, once again, in behalf of myself and Senator GRAHAM of Florida, the amendment that we offer will allow the States to enter into an agreement with HHS called a corrective compliance plan which spells out how the State will improve its systems and comply with the requirements of the act.

This section of my amendment incorporates many of the ideas that were embodied in an earlier amendment by the Senator from Arizona, Senator MCCAIN. It is similar to a provision in the current law that we now operate under. The penalties are suspended as long as the State continues to follow the plan.

If the Secretary of HHS finds that a State is not working to improve its system, then the Secretary may impose all or some of the original penalties, depending on how much progress that particular State has made.

This amendment does not weaken the Federal oversight on States. In fact, even with these changes, the penalties on States in this legislation will be far more strict than those penalties in the House bill. It is narrowly drawn to be fair. It is drawn to be flexible, and it is drawn to meet the test of common sense.

The Congressional Budget Office estimates that there are no costs—no costs—associated with this amendment. I am very proud to say that this amendment has, we believe, bipartisan support in the U.S. Senate. And once again, I wish to thank the American Public Welfare Association, the National Conference of State Legislatures, and the National Governors' Association for the splendid assistance they have given us in preparing this amendment.

I also appreciate the understanding shown and hopefully the ultimate acceptance of this amendment by not only the majority but also the ranking manager of this legislation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. We are prepared to accept the amendment of the Senator from Arkansas.

The PRESIDING OFFICER. The question is on agreeing to amendment 2495, as modified.

The amendment (No. 2495), as modified, was agreed to.

Mr. MOYNIHAN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, as I understand, the Senator from Alabama is prepared with an amendment, 40 minutes equally divided; the Senator from Maryland, Senator MIKULSKI, is prepared to offer her amendment, 20 minutes equally divided; the Senator from California would follow the Senator from Maryland.

AMENDMENT NO. 2614

Mr. DOLE. I think amendment 2614, as drafted, is acceptable.

Mr. MOYNIHAN. It is acceptable.

Mr. DOLE. I send amendment 2614 to the desk.

The PRESIDING OFFICER. Amendment 2614 is the pending question. The question is on agreeing to amendment numbered 2614.

The amendment (No. 2614) was agreed to.

Mr. DOLE. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mrs. FEINSTEIN. Mr. President, I believe I need a very short time for my amendment. I believe Senator SIMPSON would like to speak on the deeming amendment for 10 minutes, and it would be agreeable to have 10 minutes on my side on that amendment.

On the other amendment, 10 minutes is enough. Senator KENNEDY would like to speak on the deeming amendment as well.

Mr. DOLE. As I understand, there are two amendments.

Mrs. FEINSTEIN. There are two amendments.

Mr. DOLE. Naturalization and deeming?

Mrs. FEINSTEIN. That is correct.

Mr. DOLE. Twenty minutes on each amendment?

Mrs. FEINSTEIN. That is fine.

Mr. DOLE. We have Senator SHELBY, Senator MIKULSKI, two amendments by Senator FEINSTEIN, and then in our rotation plan it would come back to this side unless we have an agreement we can accept.

Once the Senator from North Dakota has his worked out——

Mr. CONRAD. Mr. Leader, we think we have achieved agreement, so if we could get in the queue, we think we have that all taken care of.

Mr. DOLE. Following Senator FEINSTEIN.

Mr. CONRAD. That certainly would be good. We could take 10 minutes.

Mr. DOLE. Ten minutes.

That will be four amendments by my colleagues on the other side. I assume we can have an equal number on this side.

Mr. MOYNIHAN. Yes.

Mr. DOLE. I thank the Chair.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Without objection, it is so ordered.

AMENDMENT NO. 2526

Mr. SHELBY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Amendment 2526, offered by the Senator from Alabama, is now the pending business.

Mr. SHELBY. Mr. President I ask unanimous consent to add the following Senators as original cosponsors of the amendment: Senators SANTORUM, GRAMS, HELMS, GRAMM of Texas, COATS, and LOTT.

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

Mr. SHELBY. Mr. President, along with the Senators that I have just mentioned as cosponsors, that is, namely, Senators CRAIG, LOTT, HATFIELD, COATS, SANTORUM, GRAMS, HELMS, and GRAMM of Texas, I am introducing an amendment that we believe will help strengthen the role of the family in America.

The out-of-wedlock birthrate in America is projected to reach 50 percent by early next century, and I am concerned that this trend will result in a dramatic increase in the number of children abused and neglected. There are now close to 500,000 children in the

foster care system, but only 50,000 are placed for adoption each year. Our amendment would effectively find homes for many children who need parents and find children for parents who need families. The objective of this amendment is to provide an appropriate incentive to encourage a policy which should be embraced by all Americans.

Adoption is a positive event that benefits everyone involved. Obviously a loving, caring family for a parentless child is the primary benefit of adoption. Studies show the adopted child receives a strong self identity, positive psychological health and a tendency for financial well-being.

Parents who adopt children also benefit. They receive the joy and responsibility of raising a child as well as the love and respect only a child can give. The emotional fulfillment of raising children clearly contributes to the fullness of life.

Lastly, we should not forget the advantages to communities as a whole in America. Society is unambiguously better off as a result of adoption. Statistics show time and again that children with families intact are more likely to become productive members of the community than children without both parents.

Unfortunately more times than not, a financial barrier stands in the way of otherwise qualified parents. The monthly cost of supporting the child is not the hurdle, but instead the initial outlay to pay for the adoption. There are many fees and costs involved with adopting a child, which include maternity home care, normal prenatal and hospital care for the mother and child, preadoption foster care for infant, home study fees, and legal fees. These costs can range anywhere from about $13,000 to $36,000, according to the National Council for Adoption.

Like the person who wants to buy a home, but cannot because the financial hurdle of a down payment stops them, potential parents often cannot adopt a child because of the substantial initial fees, fees that could actually exceed the cost of a down payment for a home. As a result, children are denied homes, and parents denied children.

Our amendment seeks to address this problem. It would allow a $5,000 refundable tax credit for adoption expenses. This credit would be fully available to any individual with an income up to $60,000 and phased out up to an income of $100,000. Other adoption tax credits have been put forth, but the key element of our adoption tax credit is its full refundability. This provision will allow many couples who may not have a tax liability in a given year to be able to afford to open up their home to a parentless child.

A fully-refundable adoption tax credit is an essential part of any welfare reform measure like the one we have before us.

Our amendment would also provide that employer-provided adoption assistance would be excluded from gross income for taxable purposes. Those receiving assistance from their employer to cover costs over and above the first $5,000—which would be taken care of by the credit—would not have to count that assistance as income. Finally, the amendment provides that withdrawals from an IRA can be made penalty-free and excluded from income if used for qualified adoption expenses. Representative JOSEPH KENNEDY and others are advocating a proposal similar to this in the House.

I believe these changes will go a long way in making adoption a reality for many children and helping them find the loving homes they so desperately need in America. This amendment has the strong support of 14 adoption organizations, which represent more than 1,000 adoption agencies and practitioners. Mr. President, I hope my colleagues will join us in reaching out to families in order to provide a better, brighter future for our children and a heightened degree of appreciation for the potential that adoption holds for our society. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. Is there further debate? The Senator from Idaho.

Mr. CRAIG. Mr. President, I am pleased to join my colleague from Alabama [Senator SHELBY] in offering this amendment to provide for a refundable tax credit for adoption expenses.

The PRESIDING OFFICER. If the Senator will suspend, we are under time control. Who yields time to the Senator?

Mr. CRAIG. Excuse me, Mr. President.

Mr. CHAFEE. What is the time situation here?

The PRESIDING OFFICER. The proponents of the amendment have 13 minutes and 33 seconds; opponents, 20 minutes.

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

Mr. CRAIG. Five minutes.

Mr. CHAFEE. Fine.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 5 minutes.

Mr. CRAIG. Mr. President, as I said—and I thank the chairman for yielding—I am pleased to join my colleague from Alabama [Senator SHELBY] in offering this amendment to provide for a refundable tax credit for adoption expenses.

In short, Mr. President, this amendment will amend the Internal Revenue Code of 1986 to provide a refundable tax credit for adoption expenses. This provision will exclude from gross income employee and military adoption assistance benefits and withdrawals from IRA's for use toward adoption expenses.

Some people may ask, ''What does this have to do with welfare?'' It has very little to do with our current welfare system, but a great deal to do with a dramatically reformed system similar to that envisioned in the leader's bill.

Through the use of block grants and other reforms, we are moving away from a welfare system that has created dependency, and into a system that encourages independence.

As part of that, we also hope to see greater strength in the American family, reduce out-of-wedlock births, control welfare spending, and reduce welfare dependence. It is my concern that as we move in this direction, that the Congress needs to make adoption a more viable option for families.

We all read the stories, both happy and tragic, of efforts couples have made to adopt a child. It is my hope that our work here will lead to more happy stories and fewer heartbreaking reports, of the tens of thousands of dollars spent traveling around the world by couples in search of children to adopt to make them a part of their family.

I know this firsthand. Not that I suffered those hardships, but I am an adoptive parent and I adopted the children of my wife and we brought together a family unit. Even then, when there were no obstacles in front of us, the process was challenging in all of the hoops and hurdles that we had to go through to make sure it was done right.

This amendment will give adoptive families a fairer shake. I have introduced similar legislation with other colleagues here in the Senate and hope that they will support this amendment.

Adoption is a viable option that results the best of all worlds: Uniting a wanted child and a loving family. I think we need to keep focused on that fact, and continue our efforts to improve the adoption and foster care approaches that this Senate is so supportive of.

Mr. President, before closing, I want to take a moment to discuss something that was not included in the Republican leadership welfare reform bill.

There is good reason to highlight this item that was excluded, because it will have a big impact on our ability, as a nation, to ensure that there is a safety net to take care of children.

The item that was excluded is the creation of a block grant of the title IV–E foster care and adoption assistance programs.

In fact, both the GOP leadership bill, the Work Opportunity Act of 1995, and the conservative consensus package maintain the title IV–E foster care and adoption assistance programs as entitlements.

Mr. President, we need dramatic reform of our welfare system. And of all of us who have been engaged in that debate here for the last good number of days, the current one-size-fits-all approach of a federally designed and implemented program simply has not served this Nation well nor served those who find themselves in poverty and in need of welfare.

It has also been unsuccessful in relieving poverty. Instead, it finds that

we put families in it and somehow they stay there. Here is an opportunity, as we move out to independence to assure greater chances for children without families, to find those families and families without children—to find those children.

Instead of a program that reaches out to people and families to give them a hand up, we have a program with a hand out that constantly pushes people down and keeps them in the welfare cycle.

The bill we have before us today will provide some of that needed dramatic reform. Changes in programs like aid to families with dependent children [AFDC] may have an impact on foster care services. This will be especially prevalent during the implementation and transition into the reformed welfare system.

The impact of any changes to our welfare system is somewhat unpredictable. Therefore, Republicans here in the Senate have acknowledged that fact, and the need to maintain a safety net for children by maintaining title IV–E as an entitlement.

Mr. President, this issue has been a concern of mine for some time. In Idaho, we have a number of excellent facilities that work with children in group home settings, with an emphasis on reuniting the family when possible. I have been to these facilities, my staff have seen them. The work they do there is nothing short of remarkable.

My concern, Mr. President, is that we have a safety net available to ensure that the children who may be affected will be adequately taken care of through our foster care and adoption assistance programs. If these programs under title IV–E were converted into a block grant with a limited inflation adjuster, there would be little flexibility for States to meet the kind of unforseen demands that can shift children into these programs.

There are also issues outside of welfare reform that affect these programs, such as changes in the economy, demographics and natural disasters. For example, Idaho had a 16-percent increase in the number of child abuses cases last year; many of those children ended up in the foster care system. Again, these are things that cannot be planned for, but add to the burden of the system.

It is important to note that since the foster care and adoption assistance programs were established in 1980, there have been more than 90,000 children with special needs adopted in the United States.

Mr. President, there have been a number of references to those who are affected by what we do here.

I would like to take a moment to share a story about we've been able to accomplish in Idaho with these title IV–E moneys. The Idaho youth ranch runs a family preservation program.

Gina was a 7-year-old girl who was removed from her home by child protective services because her parent neglected to care for her. The goal of the referral was to see if the youth ranch could help the mother respond to the point that Gina and her two younger sibling could return home.

The youth ranch staff began an assessment of the family situation and developed a plan in conjunction with the Child Protective Services staff, mom, and the children.

Through the parent training, supportive services, and help the youth ranch provided, this family is now getting back on track. Mother is now working in a job close to home, has a healthy home environment set up, ready for the children's return, has the kids enrolled in school, and a responsible day care for her youngest child.

The staff at the youth ranch will continue their work after the reunification of the children. It is a happy ending for the family, for the State, and most important, for Gina.

Mr. President, that was quite a lengthy comment, but I felt it was important to note in this debate. In closing, I would just add that I hope my colleagues will support improving access to adoption, and will vote for the Shelby amendment.

So I am proud to support and to be a cosponsor of the amendment of my colleague, Senator SHELBY, and his concerted effort.

Mr. CHAFEE. Mr. President, I would like to ask the proponent of the amendment a question.

As I understand, this is going to cost $1.4 billion over 5 years. Has the Senator a method of paying for this?

Mr. SHELBY. Would the Senator from Rhode Island state the question again?

Mr. CHAFEE. It is my understanding that this amendment will cost, over 5 years, $1.4 billion.

Mr. SHELBY. The Senator is correct. The revenue loss is projected to be $1.4 billion over 5 years but the underlying bill will result in savings of over $40 billion over 5 years.

Mr. CHAFEE. I know we are going to have further discussion because I think there is a point of order that lies that is going to be raised. But I would point out that everything that comes in theory out of savings is something that the Finance Committee has to come up and pay for. We have just concluded a long meeting in connection with Medicare, and the difficulty of coming up with savings was made clear to us at that gathering.

So, Mr. President, if there is no further discussion, I suggest the absence of a quorum, and this will be charged equally against both sides.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SANTORUM. Mr. President, I yield 3 minutes of time to the Senator from Texas, [Mr. GRAMM].

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

Mr. GRAMM. Mr. President, I rise in strong support of the Shelby amendment.

What the Shelby amendment does is it tries to provide tax equity to people who adopt children and in the process, provide a home and environment that represents our only sure-fire, guaranteed way to break the poverty cycle—allowing people the opportunity to escape from poverty and use their God-given talents.

One of the reasons I feel so strongly about not giving people more and more money to have more and more children on welfare is that I am convinced if we stopped giving people cash bonuses to have more children on welfare and adopt the Shelby amendment giving tax equity to people who adopt children on a par with people who are having them, then we have an opportunity to find a home for every child born in America. That can solve not only the welfare problem but many other problems in the country.

I do not know how our colleagues on the other side of the aisle are going to vote on this amendment, but I would simply like to note this paradox. In the compromises that have taken place in the last 2 hours in an effort to pass this bill, an initial agreement has been made which will spend $4 billion on programs that in all probability will do virtually nothing to help break the poverty cycle and will do virtually nothing to guarantee that people see an improvement in their lives.

However, by giving tax equity to people who adopt children—up to $5,000 in tax credits to cover the costs they incur in adoption—we can guarantee that people will be able to adopt more children, bringing them into their homes, giving them love, and improving the lives of those children. I think this is an important amendment, and I think if we can follow it up someday with an amendment to streamline the adoption process, making it easier for people to adopt children, we can make a dramatic difference.

One of our colleague's wives was in Bangladesh—I ask for an additional minute.

Mr. SHELBY. I yield an additional minute.

The PRESIDING OFFICER. The Senator is recognized for an additional minute.

Mr. GRAMM. As I look at the Shelby amendment, it reminds me of a statement made by Cindy McCain, Senator MCCAIN's wife. When she was in Bangladesh, there was this baby girl who had been set aside to die because she had a cleft palate. Cindy McCain decided that she was going to bring that little girl back to the United States of America and adopt her. Her point was, I cannot solve the problems of every

child in the world, but I can solve this child's problem.

What the Shelby amendment does is let other people who want to solve this problem one child at a time, do it. So, I think, this is an important amendment. I hope it will be adopted, and I urge my colleagues to vote for it.

I congratulate the distinguished Senator from Alabama. This provision was in our original welfare bill that Senator SHELBY and other conservative Republicans and I put together. I think it is an important addition to this bill, and, quite frankly, of all the things we have talked about here, this is clearly welfare reform.

I thank the Chair for its indulgence.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I would simply make the point as a member of the Finance Committee that we have not considered this measure. It is a new credit that would be created without the means to pay for it. The proposal would cost $3 billion in revenues over the next 10 years, and there is no provision to pay for it.

There is strong sentiment in favor of it; I can sense it. I understand that and share it, but it is a doubtful measure to be adopted at this point, and yet we have a long conference committee procedure before us and that may be the time to address it. I will leave it at that.

Mr. COATS. Mr. President, over the past 25 years there has been a dramatic increase in the number of children born out of wedlock, children being raised by single parents, and children entering the foster care system because of abuse, neglect, or abandonment. Family disintegration is widespread.

At the same time we have experienced an increase in family disintegration, we have seen a sharp decrease in the number of children being adopted, with formal adoptions dropping by almost 50 percent: from 89,000 in 1970 to a fairly constant 50,000 annually throughout the 1980's into the 1990's. On any given day, 37,000 children in foster care are legally free and waiting—to be adopted.

Why are children waiting? Why aren't families adopting? The reason, I propose, is not a lack of compassion on the part of families. Many thousands of families would be eager to adopt were it not for the costs can be prohibitive for working class families. The average cost of an adoption is $14,000 and it is not uncommon for this figure to reach upwards of $25,000.

Adoption is the compassionate response to children in need of a home. Yet, there is currently inequity in the tax system. While certain medical expenses related to the conception, delivery, and birth of a child may be deducted as medical expenses, no similar relief is available for adoptive families.

Mr. President, I, like many of my colleagues know the sacrifice required of parents. Children require 100 percent of us, 100 percent of the time. The financial burden can be significant. The time element, balancing the needs of work and family—these are all very significant. Yet there are thousands who make that sacrifice every day for children they have lovingly adopted into their family, and many thousands more who would—but for the costs. The Shelby amendment will put adoption within the reach of many families, and make an important public policy statement about the value and respect we have for the institution of adoption.

I've heard some say adoption tax credits should be limited to children with special needs. Well, I believe that every child in need of adoption is a child with a special need for a loving, and permanent home.

Money should never be a barrier to adoption. Adoption should be encouraged as a compassionate response to children of parents who find themselves unable or unwilling to care for them. These families deserve our support, and deserve to be treated the same as families formed biologically. The Shelby amendment sends a strong message that adoption is a valued way of building a family.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. CHAFEE. I yield——

Mr. DOMENICI. I do not need much time. One minute.

Mr. CHAFEE. Three minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 3 minutes.

Mr. DOMENICI. Mr. President, I commend Senator SHELBY for the amendment.

Frankly, I believe in this sea of problems with reference to unwed pregnancies and welfare children of this country, which are growing like a volcano erupting on America, this obviously attempts to address a very serious problem; that we are in need of more adoptions by good people who will raise children well in a good household. This amendment attempts to do that.

Frankly, it has a problem, a technical problem. I think that is well known. Senator MOYNIHAN expressed it. This is not a measure in which you can have tax credits and not pay for them. In a very real sense, it could be subject to a point of order. I, for one, believe we ought not raise it. We ought to vote on it, if that is what the distinguished Senator wants. And then it will take care of itself in terms of the tax provisions whether they will remain in the welfare bill or whether they will be taken care of in reconciliation as part of the tax bill. We can find out. We can wait and see. But essentially I think it is such a good idea that we ought to make sure it is done.

Now, if somebody raises the point of order, I would say tonight I would join in trying to waive it with my good friend from Alabama.

Mr. SHELBY. I thank the Senator.

Mr. DOMENICI. So I do not think we ought to do that. I hope we will not.

I compliment the Senator on the amendment and hope it passes here tonight one way or the other.

I yield the floor.

I thank Senator CHAFEE.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I think the distinguished ranking member of the Finance Committee made some good points, as has everybody else here today. This is a very commendable amendment. Although it is an amendment we have not had a chance to consider in the Finance Committee, it is a matter that will come before us when we are dealing with the tax provisions that we are surely going to get to later this year. And so, therefore, I am prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

All those in favor——

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. GRAMM. Mr. President, I suggest the absence of a quorum until there is a sufficient second.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

Mr. SANTORUM. Mr. President, I ask for the yeas and nays on the Shelby amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CHAFEE. Now, Mr. President, I would ask unanimous consent that the vote on the Shelby amendment be put off until 8 p.m.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. A point of clarification, please, from the Chair.

Would the Mikulski amendment be the next amendment in order? Is there a Mikulski amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. PRYOR. And are we going to, on subsequent amendments—if I might ask the Chair, is it correct that we are going to basically stack the votes at approximately 8 p.m.?

The PRESIDING OFFICER. There has been no order.

There is a unanimous consent request pending that the Shelby amendment be voted on at 8 p.m.

Mr. PRYOR. For the benefit of our colleagues, I have been informed that

is merely the intention. But it is the intention to basically stack votes that are considered between now and 8 p.m., stack those votes at 8 p.m.

The PRESIDING OFFICER. Is there objection to the request that the vote on the Shelby amendment occur at 8?

Without objection, it is so ordered.

Mr. CHAFEE. Now, Mr. President, we have a list here. And Senator MIKULSKI is not here. I notice Senator FEINSTEIN is here.

Mr. President, is there any defined order that has previously been arranged?

The PRESIDING OFFICER. The Senator is correct. There is a defined order. The Mikulski amendment is the next pending business. It would require a unanimous consent agreement to set it aside to deal with the Feinstein amendment.

Mr. PRYOR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2669

Ms. MIKULSKI. Mr. President, I wish to send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Maryland [Ms. MIKULSKI] proposes amendment numbered 2669.

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

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Ms. MIKULSKI. Thank you, Mr. President.

Mr. President, my amendment deals with the role of men and how we can bring men back into the family, how we can eliminate marriage penalties and begin to really work toward two-parent households once again among the poor.

One of the missing discussions in this year's welfare debate is how we involve fathers with their families. We can do that through tougher child support laws and, yes, it is true we need to crack down on deadbeat dads. But you know, Democrats and Republicans all agree that we need to have major child support reform to do that. But, quite frankly, men, fathers are more than a child support check.

Our focus needs to be on the issues related to child rearing as much as child support. We need to get the men involved in the rearing of their own children and we do that by promoting two-parent families.

Earlier this year, the nonpartisan Casey Foundation, which I am proud to say is headquartered in Baltimore, released their 1995 report called ''Kids Count.'' It focused exclusively on the need to promote fathers as part of our Nation's strategy to reform welfare.

One of the most compelling things that they outlined was the devastating effect on children when fathers are absent from the home. The Casey Foundation said this:

Children in father-absent families are five times more likely to be poor and 10 times more likely to be extremely poor.

Children of single mothers are twice as likely to become high-school dropouts. These kids are more likely to end up in foster or group care or, even worse, in juvenile justice facilities.

The Casey Foundation went on to tell us that:

Girls from single-parent families have three times greater risk of bearing children as unwed teenagers.

Often in the debate, and I know the Senator from New York, Senator MOYNIHAN, has often commented on the problems related to single-parent families, we often overlook the role of what happens to girls.

And boys whose fathers are absent face a much higher probability of growing up unemployed, incarcerated, and uninvolved with their own children.

During this welfare debate, we have heard about the staggering rise in illegitimacy and the households headed by single parents. Much of this rhetoric has focused on solving the problems through punishing the mother. They aim for the mother but, in turn, hit the child.

The proposed solutions do not get at the heart of why we have fewer two-parent families, which is simply the decline in jobs that pay a family wage and the penalties in our public policy that work against the two-parent family.

The chart next to me contains data from the ''1995 Kids Count'' report and it makes it graphically. Between 1969 and 1993, the percentage of children under 18 living in households headed by women jumped from 11 percent to 24 percent. During that same 23-year period, the number of men between the ages of 25 and 34 who did not earn enough to support a family of four jumped from 14 percent to 32 percent.

The link is clear. If employment opportunities do not exist for men who are poor, it is unlikely they will get married. In fact, the ''Kids Count'' report points out most women consider a stable income an important element in choosing someone to marry.

The Republican welfare bill is either silent on solutions or it focuses on the mother as the only solution, or actually it attacks the mother. In fact, it is what I have called ''the parent trap.'' They say they want women on welfare to get married and require tougher work requirements for people who end up getting married. The Republican bill allows States to impose family caps, but it never asks States to develop programs that will bring families together.

Their bill also allows State welfare programs to cut families off if a father actually works too many hours. So we are going to penalize the father for being in the home, and we are going to penalize him for working too many hours. Hey, that is not the way to reform welfare or to move the poor out of poverty.

It also allows a father's child support check to go to a State bureaucracy instead of directly to the family.

We Democrats are serious about welfare reform, and we are serious about strengthening the family in this process. We aim for real reform by protecting the child, helping the mother and involving the father.

The amendment that the Senator from New Jersey and I have proposed seeks to end this ''parent trap'' and instead include real solutions that promote two-parent families. We will do this in our amendment by, first, job placement for noncustodial fathers. This amendment sets aside a very small amount of money in the welfare block grant for States to enroll unemployed fathers in job training and placement so they can meet their child support and family obligations. Employing these fathers is the most significant step we can take to promote two-parent families. In addition, the cost of this effort will be partially offset by increased child support payments as a result of the jobs which these fathers would have.

Second, our amendment prevents States from creating welfare rules that penalize marriage. The amendment prevents States from reenacting the current AFDC man in the house rule at the State level that pushes the man out of the family.

Third, it promotes marriage and not punishment.

And fourth, we pay child support to mothers, not State bureaucrats. What do I mean? It means that, first of all, we have a rule called the man in the house rule. If you are a father living at home and you work over 100 hours a month, regardless of what you earn, your family is cut off from assistance.

This is unacceptable. We need to promote and require work, and eligibility for assistance should be based on what you earn, not the number of hours it takes to earn it.

Third, promote marriage. For those States that impose a family cap, the amendment would require them to come up with some incentives that promote marriage. If we are serious about strengthening families, let us not just cut people off and make no effort to encourage marriage.

And fourth, pay child support to mothers not State bureaucrats. In my own State of Maryland, I had a roundtable with dads who are meeting their family obligations, but they told me how frustrating it was when they wrote their child support check it went into some big bureaucracy and when they went to visit their child, there had been no linkage between dad being the

provider and their family actually experiencing that and the check still coming from the welfare department.

As a result, our amendment requires States to pass through the first $50 in a monthly child support payment to the family.

Mr. President, my amendment has many other components to it. I could speak on many elements in this program. We deal particularly with helping interstate child custody orders and others. But I want to say this. Our amendment is good for fathers and their children. It recognizes that men are not only child support checks, but they must be involved as fathers. I want them not only paying child support, I want them to be a link within the family itself. The dad is not in the home, but still there is a relationship.

Second, where possible, to be able to promote the family and get the dad back in the home.

Mr. President, I know that the Senator from New Jersey wishes to speak on this amendment. How much time do we have left on our side?

The PRESIDING OFFICER. One minute and twelve seconds.

Mr. CHAFEE. Mr. President, let me say this. We are not going to consume our full 10 minutes. Does the Senator from New Jersey want a couple minutes from us? Three minutes for the Senator from our allotment of time.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 4 minutes.

Mr. BRADLEY. Mr. President, I rise in support of this amendment. I thank the Senator from Maryland for offering it. I think it makes one very clear point, and that is children that grow up in two-parent families have a better chance than children who grow up in single-parent families. That does not mean that there are not a lot of single mothers who do a heroic job out there raising children against the odds, who teach them how to work hard and how to advance. It simply means that two incomes are better than one and that two supervisors are better than one.

It is very interesting, because in the course of this debate, we discussed the family cap which says if you have an additional child, if you are on welfare, that child does not receive a payment.

In my State of New Jersey, that would mean about $64 a month. We have the only family cap experiment in the country in New Jersey, and we deny a benefit to an additional child to a mother who is on welfare. But we also have a provision in the law that rewards marriage. It says that if a woman on welfare is married, her husband's income will not push her off of eligibility for welfare, up to about $21,000 in combined income.

So what the distinguished Senator from Maryland is stating with this amendment is that we should have incentives in the welfare system for single parents to get married. We have that in the experiment in New Jersey at the moment. It is only a year old, so we do not have any conclusive results. I think it is an important amendment. That, then, underlines the deeper point the Senator from Maryland is making, which is that it is important in every child's life to have a father as well as a mother, a father involved with time and resources. It is very important.

So I salute the Senator, and I cosponsor the amendment and hope that it will be adopted.

Ms. MIKULSKI. Mr. President, I thank the Senator from New Jersey. I also thank the Senator from Rhode Island for yielding him some time. I will ask for the yeas and nays, but I presume the Senator from Rhode Island wants to speak.

Mr. CHAFEE. Yes, obviously, on my time. I have a couple of questions. This is an interesting amendment and rather a broad one, as I understand it. I think the Senator from Pennsylvania has some comments that will delve into matters that otherwise I might have covered.

I have two questions. One, does the Senator from Maryland know what this would cost?

The second question is, Does she have some way of paying for it?

Ms. MIKULSKI. I believe this will cost $920 million over a 7-year period. We hope that part of the money will come from, first of all, child support itself. No. 2, by bringing men back into the family, which will decrease the need for public assistance. I am looking at the memo here on exactly where that comes from. I do not have an offset for this. I believe we were going to accept an adoption amendment which will cost $3 billion—and, by the way, I was a foster care worker and also involved in adoption work many years ago. So I support that amendment. But, there is not a cost that you can put on bringing a dad back into the home. If it is going to cost us a couple of bucks to do that, I think the long-term savings—you might think it is amusing, but I do not think it is.

Mr. CHAFEE. I remind the Senator that she is on my time.

Ms. MIKULSKI. You know what? I am.

Mr. CHAFEE. I know the Senator is being facetious. I do not want to take her up on it too much. But a billion dollars is really what it is. She was being facetious when she used the words ''a couple of bucks,'' but I am not going to dwell on that.

But we have a real problem here, Mr. President. Everybody is coming forward with amendments—wonderful amendments and good things, undoubtedly. But there is no method of paying for them. All that means is that those of us on the Finance Committee have to somehow come and make up that money. We are having terrible times coming up with amounts that we are designated to provide anyway. We have to come up with $530 billion, and to load on $1 billion more in this bill—and other moneys have been expended in other measures that come before us.

So I am, reluctantly, going to have to oppose the Senator's measure. I know the Senator from Pennsylvania has comments.

Mr. SANTORUM. I thank the Senator.

I just say that in addition to the billion dollars this spends, I question the rationale behind this. What this amendment says is, if you are a noncustodial parent you are eligible to participate in the job training and employment programs of the State. And you are eligible, if your child is receiving welfare, or if you are a noncustodial parent that owes past child support, even if you are a deadbeat dad. So if you are a father who does not support his kids and they are on welfare, or you do not pay child support, we will put you in a job training program or give you a job. I question that we are going to spend $650 million of new money on providing job training for deadbeat dads.

You can say we are going to bring families together. This is a nice benefit for someone who is doing something you do not want them to do. I do not think we should be rewarding people who are turning their backs on their children. I think that is questionable.

The other portion of the bill—and I know this is a lengthy amendment and has many different sections. I know there is one here that has the $50 pass-through, which is the first $50 of child support paid by a father, who is in arrears on his child support, goes directly—excuse me, the mother is on welfare, goes directly to the mother, not the State, to offset the benefits the State is paying the mother. This is something that is in current practice. Every State child support agency tells us that this is not a good provision. It does not help fathers or encourage fathers to pay any of this child support. It is simply $50 that the State does not get that they are now paying as an offset for AFDC. This is not proven to be incentive. It does not work. It is something that we, at their suggestion, have dropped in the Dole amendment, and now they are trying to put it back in, and it costs money and does not provide incentive to pay back child support or child support to somebody on welfare.

The cost is a billion dollars. We are going to be providing jobs and job training to deadbeat dads, fathers who allow their children to go on welfare. And there is the $50 pass-through. I think this, again, may be well-meaning. We may want to help fathers get back with their families and bring families together, but I do not think providing money to deadbeat dads for job training is the way I would go about doing it.

Ms. MIKULSKI. Will the Senator yield for a question?

Mr. SANTORUM. On whatever time I have remaining, I will do so, sure.

The PRESIDING OFFICER. The Senator has 1 minute 7 seconds.

Ms. MIKULSKI. Does the Senator think that simply because a father is

in arrears on child support, he is a deadbeat and wants to abdicate his responsibility? Because, for whatever reason, earlier in their life, maybe he did not complete school, and he needs job training to get back into the labor market in order to assume his responsibility. That is what is behind our motivation in that part.

Mr. SANTORUM. I understand there may be such cases that you mention. But I think the broader point is whether, when we have people who have violated their responsibilities to their children, we should now create a separate Government program to train them for jobs or create jobs for them. I understand there may be circumstances where people, well-meaning, could not pay their child support. But at the same time, you want to set up a program because they have done that, apart from someone else who may be paying their child support and working two and three jobs to make sure they keep up. We do not help them at all, or train them, or do anything for them. That is a bad precedent. We should not be providing this kind of money for people who are shirking the responsibilities of their children.

The PRESIDING OFFICER. All time of the opponents has expired.

Ms. MIKULSKI. Mr. President, I ask for the yeas and nays and that the vote occur in whatever order or whatever time that was in the unanimous-consent agreement.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will occur as indicated.

Mr. CHAFEE. Mr. President, subject to changes in the future, that vote on the Mikulski amendment would occur after the vote on the Shelby amendment which is scheduled to occur at 8 o'clock.

Next on our list, we have Senator FEINSTEIN who I understand has two amendments, each with 20 minutes equally divided. If the Senator would be good enough to identify which amendment she is discussing.

AMENDMENT NO. 2478

Mrs. FEINSTEIN. Mr. President, to the managing Senator, the amendment I call up is amendment No. 2478.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] proposes an amendment numbered 2478.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that Senator KENNEDY be added as a cosponsor.

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

Mrs. FEINSTEIN. Mr. President, this amendment strikes the language in the Dole bill which precludes a naturalized citizen from obtaining at any time any cash or noncash welfare benefit.

The language in this bill, as presently drafted, is the first time in the history of the United States that naturalized citizens would be treated differently than native-born citizens.

The Constitution of the United States says that there is only one instance where there is a difference between the two; that is, one who seeks the Presidency of the United States.

My mother became a naturalized citizen. My mother had very little formal education. She had difficulty reading and writing. She had to take the test three times before she became a citizen. I have to say the day she was naturalized she was prouder than any time in her life that I can remember. It meant a great deal because she was as good as any American citizen in her eyes. That is a very big thing.

The amendment I am proposing is supported by the Department of Justice. I ask unanimous consent that a letter to Senator KENNEDY from Justice, pointing out serious concerns about section 204's constitutionality as applied to naturalized citizens, be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit No. 1.)

Mrs. FEINSTEIN. It is supported by the National Governors' Association, the National Conference of State Legislatures, and the American Bar Association.

Mr. President, I ask unanimous consent that a letter from the Bar Association and the Governors' Association be printed in the RECORD.

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

(See Exhibit No. 2.)

Mrs. FEINSTEIN. It is supported by the National Association of Counties, the National League of Cities, the U.S. Catholic Conference, and the Leadership Conference on Civil Rights, as well as several other organizations.

I believe that we are essentially a nation of immigrants. I sit as a new member of the Immigration Subcommittee and I know there is a legitimate reason that the Government should try to dissuade, in any way we can, people from becoming naturalized simply to gain welfare. There is no question about it. I believe the immigration bill that we have marked up in the Immigration Subcommittee deals with that.

What this bill does is it says that if you are a naturalized citizen—and let me give some specific examples. Take my mother's case and put it in the present day. My mother came to this country at the age of 3. Supposing her mother was naturalized, that would make her a naturalized citizen. Then supposing my mother did want to go to college, which she never had an opportunity to do, she would be eligible for a loan program. Under this bill, as drafted, my mother would never be eligible as a naturalized citizen for a program. Even Medicaid, she would not be eligible for it.

Taking my mother again, say my mother came to this country as a spouse, never worked, was naturalized, was a naturalized citizen for 20 years. Say my father left her and she was destitute. She would not have access to any aid program, cash or noncash, the way the bill is presently drafted. The language before the Senate simply deletes this language and keeps a class of ''American citizen'' as one class. If you are naturalized, you are as good as someone who is born anywhere in this great country.

I yield the floor.

EXHIBIT 1

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, July 18, 1995.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: This letter follows your question to Attorney General Janet Reno regarding the constitutionality of the deeming provisions in pending immigration legislation at the Senate Judiciary Committee's oversight hearing on June 27.

You have asked for our views regarding the ''deeming'' provisions of section 204 of S. 269, Senator Simpson's proposed immigration legislation. Our comment here is limited to the questions raised by application of section 204 to naturalized citizens.

We have serious concerns about section 204's constitutionality as applied to naturalized citizens. So applied, the deeming provisions would operate to deny, or reduce eligibility for, a variety of benefits including student financial assistance and welfare benefits to certain United States citizens because they were born outside the country. This appears to be an unprecedented result. Current federal deeming provisions under various benefits programs operate only as against aliens, (see e.g., 42 U.S.C. §615 (AFDC); 7 U.S.C. 2014(i) (Food Stamps) and we are not aware of any comparable restrictions on citizen eligibility for federal assistance. As a matter of policy, we think it would be a mistake to begin now to relegate naturalized citizens—who have demonstrated their commitment to our country by undergoing the naturalization process—to a kind of second-class status.

The provision might be defended legally on the grounds that it is an exercise of Congress' plenary authority to regulate immigration and naturalization, or, more specifically, to set the terms under which persons may enter the United States and become citizens. See *Mathews* v. *Diaz,* 426 U.S. 67 (1976); *Toll* v. *Moreno,* 458 U.S. 1, 10–11 (1982). We are not convinced that this defense would prove persuasive. Though Congress undoubtedly has power to impose conditions precedent on entry and naturalization, the provision at issue here would function as a condition subsequent, applying to entrants even after they become citizens. It is not at all clear that Congress' immigration and naturalization power extends this far.

While the rights of citizenship of the native born derive from §1 of the Fourteenth Amendment and the rights of the naturalized citizen derive from satisfying, free of fraud, the requirements set by Congress, the latter, apart from the exception noted [constitutional eligibility for President], becomes a member of the society, possessing all the

rights of a native citizen, and standing, in the view of the constitution, on the footing of a native. The constitution does not authorize Congress to enlarge or abridge those rights. The simply power of the national Legislature, is to prescribe a uniform rule of naturalization, and the exercise of this power exhausts it, so far as respects the individual.

Schneider v. *Rusk*, 377 U.S. 163, 166 (1964) (internal quotations omitted) (statutory restriction on length foreign residence applied to naturalized but not native born citizens violates Fifth Amendment equal protection component).

Alternatively, it might be argued in defense of the provision that it classifies not by reference to citizenship at all, but rather on the basis of sponsorship; only those naturalized citizens with sponsors will be affected. Again, we have doubts about whether this characterization of the provision would be accepted. State courts have rejected an analogous position with respect to state deeming provisions, finding that the provisions constitute impermissible discrimination based on alienage despite the fact that they reach only sponsored aliens. See *Barannikov* v. *Town of Greenwich*, 643 A.2d 251, 263–64 (Conn. 1994); *El Souri* v. *Dep't of Social Services*, 414 N.W. 2d 679, 682–83 (Mich. 1987). Because the deeming provision in question here, as applied to citizens, is directed at and reaches only naturalized citizens, the same reasoning would compel the conclusion that it constitutes discrimination against naturalized citizens. *Cf. Nyquist* v. *Mauclet*, 432 U.S. 1, 9 (1977) (''The important points are that [the law] is directed at aliens and that only aliens are harmed by it. The fact that the statute is not an absolute bar does not mean that it does not discriminate against the class.'') Invalidating state law denying some, but not all, resident aliens financial assistance for higher education.

So understood, the deeming provision, as applied to citizens, would contravene the basic equal protection tenet that ''the rights of citizenship of the native born and of the naturalized person are of the same dignity and are coextensive.'' Schneider, 377 U.S. at 165. To the same effect, the provision might be viewed as a classification based on national origin; among citizens otherwise eligible for government assistance, the class excluded by operation of the deeming provision is limited to those born outside the United States. A classification based on national origin, of course, is subject to strict scrutiny under equal protection review, see *Korematsu* v. *United States*, 323 U.S. 214 (1944), and it is unlikely that the deeming provision could be justified under this standard. See Barannikova 643 A.2d at 265 (invalidating state deeming provision under strict scrutiny); El Souri, 414 N.W.2d at 683 (same).

The Office of Management and Budget has advised that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

ANDREW FOIS,
Assistant Attorney General.

EXHIBIT 2

CITY OF NEW YORK,
OFFICE OF THE MAYOR,
New York, NY, September 12, 1995.

Hon. DIANNE FEINSTEIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINSTEIN: As the Senate moves to consideration of welfare reform legislation, I want to share my serious concerns with you about the legal immigrant provisions included in this bill. As the Mayor of New York City, a city that has benefited immensely from the economic, cultural, and social contributions of immigrants, I am particularly troubled by unprecedented efforts to limit benefits to legal immigrants and unfairly target them.

The Senate welfare reform package, for the first time, would impose extraordinary restrictions on qualified immigrants' access to many federal benefit programs. The Senate proposal would also extend sponsor deeming to a broad range of programs not presently covered by deeming restrictions. This proposal is likely to restrict benefits to some legal immigrants even after they become naturalized citizens, thereby creating a second class of U.S. citizenship. Like yourself, I believe that extending deeming beyond citizenship is unwise public policy and may prove unconstitutional, and I support your efforts to end deeming upon citizenship. In addition, I also support your attempts to limit deeming to cash assistance programs only and not to Medicaid or other non-cash assistance programs.

While the denial of benefits to legal immigrants is patently unfair to taxpaying residents, it will also result in considerable cost-shifting to local and state governments. Because the federal government has sole responsibility over immigration policy, it must bear the concomitant responsibility of serving the legal immigrants it permits to enter states and localities. I am deeply concerned that denying benefits to legal immigrants or extending deeming beyond citizenship will not eliminate needs and, subsequently, force state and local governments to bear the financial consequences of unwise policy decisions. The Senate welfare reform package fails to provide states and localities with funding for expected high administrative costs associated with implementing this proposal, and is an unfunded mandate that New York and other cities should not have to bear.

Finally, I am concerned about potential efforts to amend the Senate bill and federalize many of the harshest provisions from California's Proposition 187. Such an approach would deny services to illegal immigrants without regard to the dangers it would create for American cities. The problems of illegal immigration in our country is the result of the federal government's inability to patrol its borders and implement an effective deportation strategy. Adoption of a federal Proposition 187 will do nothing to address the overall problem of illegal immigration, but instead will further highlight the federal government's failure to enforce adequately our nation's immigration laws and policies.

If California's Proposition 187 becomes the law of the land, the results for cities heavily impacted by illegal immigration, such as New York, would be catastrophic. I urge you to consider these possible scenarios. Faced with the threat of deportation, many families would forego needed medical care, keep their children out of school, and refuse to report crime, or act as a witness in criminal cases. Immigrant children kept out of school would be denied their only chance at assimilation and productive futures, and, as a result, many turn to the streets, and illegal activities. Communicable diseases might well would go untreated if immigrants are denied access to treatment. In addition, many crimes would go unreported by illegal immigrants desperate to avoid contact with the police.

As the Senate debates welfare reform legislation over the coming days, I am hopeful that the Senate will approve your amendments and remove the bill's burdensome restrictions placed on legal immigrants, and oppose any efforts to federalize Proposition 187. Thank you for your good work on this bill and for your consideration of New York City's views on this important legislation.

Sincerely,

RUDOLPH W. GIULIANI,
Mayor.

NATIONAL CONFERENCE OF STATE LEGISLATURES, NATIONAL GOVERNORS' ASSOCIATION, NATIONAL ASSOCIATION OF COUNTIES, NATIONAL LEAGUE OF CITIES,
September 6, 1995.

DEAR SENATOR: The National Conference of State Legislatures (NCSL), the National Governors' Association (NGA), the National Association of Counties (NACo) and the National League of Cities (NLC) firmly believe that the federal government is responsible for providing funds to pay for the consequences of its immigration policy decisions. As you consider welfare reform legislation on the Senate floor this week, we urge you to support amendments which will protect states and localities from immigration cost-shifts and unfunded mandates. State and local governments cannot and should not be the safety net for federal policy decisions. The federal government has sole jurisdiction over immigration policy and must bear the responsibility to serve the legal immigrants it allows to enter states and localities.

Eliminating benefits to legal immigrants or deeming for unreasonably long periods will not eliminate needs. State and local budgets and taxpayers will bear the burden under either of these options. Denial of services to legal immigrants by states and localities appears to violate both state and federal constitutional provisions. As a result of the 1971 Supreme Court decisions *Graham* v. *Richardson*, states and localities may not exclude persons from participating in their welfare programs on the basis of lawful alienage. Although the federal government has the option to drop legal immigrants from its welfare rolls, states and localities may not. We continue to support making affidavits of support legally binding and imposing a limited deeming period.

We understand that welfare reform proposals are likely to extend sponsor deeming over a broad range of programs not presently covered by deeming restrictions. These proposals are also likely to restrict benefits to some legal immigrants even after they become naturalized citizens. We believe that sponsor deeming should be used in a more targeted fashion to limit the financial and administrative burdens states and localities will face in implementing an extended deeming policy. First, deeming should end when an immigrant becomes a naturalized citizen. Second, deeming should cover cash assistance programs only and not be extended to Medicaid, child protective services, or other non-cash assistance programs. Lastly, certain groups of immigrants should not face deeming under any circumstances, specifically legal immigrants over the age of 75 and those who are victims of domestic violence.

Sincrely,

WILLIAM T. POUND,
Executive Director, National Conference of State Legislatures.

RAYMOND C. SCHEPPACH,
Executive Director, National Governors' Association.

LARRY NASKE,
Executive Director, National Association of Counties.

DONALD J. BORUT,
Executive Director, National League of Cities.

Mr. SIMPSON. Mr. President, I believe I have 10 minutes to speak in opposition to the amendment of Senator FEINSTEIN.

I admire the Senator greatly. She has contributed so much, so vigorously, to my efforts and members of the subcommittee.

This is an issue of an honest difference of opinion. I oppose the amendment for several reasons. I hope that my colleague will hear them clearly.

To begin, I want to put to rest some serious misconceptions about the sponsor alien deeming—the ''deeming'' provisions in this bill.

Please know that the bill's immigrants provisions do not affect anyone in the United States who is already a naturalized citizen. Please hear that.

Similarly, noncitizens within the United States who become citizens will also be wholly unaffected by the bill's immigrants provision.

Deeming provisions which the Feinstein amendment seeks to alter affect only those who immigrate after enactment. This Nation's policy on welfare used by immigrants should conform, in my mind, to three basic principle: First, the newcomers should be self-supporting. That is our Nation's first general immigration law. That was put on the books in 1882. It prohibited the entry of individuals likely to become a public charge. To this day our law prevents the immigration of those who are ''likely at any time'' to become a public charge or to use welfare. That is the language—''likely at any time.''

Second, if a friend or a relative has promised to the U.S. Government that the newcomer will not require public assistance as a condition of that person's entry into the United States, and that is the condition, then it is the responsibility of that sponsor, that friend or relative who has promised the support, to provide aid before the newcomer turns to the American taxpayers for relief.

Third, the welfare system should not induce immigrants to naturalize for the wrong reasons; for example, to obtain access to welfare. We should avoid provisions which would enable a recent immigrant to obtain a benefit or a sponsor to avoid responsibility solely by naturalizing.

If we do not require the sponsored individual to disclose this particular asset in this situation—and that is the sponsor's contract to provide financial support and have it considered in the welfare determination—then we are treating the naturalized citizen better than we do the native-born citizen.

I hope my colleague will hear that. When native-born citizens apply for welfare, they have to disclose their assets and their income, including court-mandated payments such as alimony or child support, or any contractual obligation.

Under the welfare reform bill, a native-born citizen and a naturalized citizen would be treated exactly the same. There is no second-class citizen status. Both would be required to disclose all assets and income which reduce ''the need'' for public assistance.

If naturalization enables both the sponsored individual and the welfare provider to ignore an individual's right to receive support from the sponsor, then the taxpayers will be much more likely, and, of course, the sponsors less likely, to provide the needed assistance.

Also, immigrants would have a very strong incentive to naturalize for all of the wrong reasons, and the wrong reasons are to receive public assistance.

One of the principal reasons for the general animosity toward immigrants' use of welfare is that many naturalized citizens have brought their elderly parents to the United States where after 3 to 5 years, a period of deeming, the immigrant's parents receive SSI for the elderly. These elderly parents, who have never contributed to our system in any way, then receive a generous pension for the rest of their lives from the American taxpayer. And if deeming is ended, simply by naturalization, then the immigrants could receive the welfare just as if the sponsor's legalization, or legal obligation, never existed—and as early as 5 years after entry, to boot.

Immigrants, I think, should naturalize because of a personal commitment to the democratic ideals and constitutional principles that America represents, and that, namely, is liberty and democracy and equal opportunity—not in order to find access and enter into the welfare system.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mrs. FEINSTEIN. Mr. President, may I ask how many minutes are remaining of my time?

The PRESIDING OFFICER. The Senator from California has 5 minutes and 46 seconds.

Mr. KENNEDY. Mr. President, I rise in support of the amendment of the Senator from California, which would require that the immigrant deeming requirements of the Dole bill end once the immigrant becomes a U.S. citizen.

One of the fundamental principles of our Constitution is the equal treatment of all American citizens, regardless of race, sex, creed, or national origin. It is enshrined in the Bill of Rights and the 14th amendment. The Supreme Court has held repeatedly that there is only one area in which naturalized citizens do not have the same rights and privileges as the native-born—and that is in becoming President.

The Dole bill departs from this basic American principle. It says that if you are a naturalized citizen of this country and fall on hard times, the welfare rules that applied to you as an immigrant could still apply. The income of your sponsor can be deemed as your own income in determining your eligibility for assistance, even though you are now an American citizen.

This is second-class citizenship. This rule does not apply to native-born citizens—only naturalized Americans. If you native-born mother or brother needs Medicaid, the Government does not consider your income in deciding whether they are eligible. But under this bill, if they are naturalized citizens, and if you sponsored them in coming to the United States—even if you did so years ago—the government could still count your income in determining their eligibility for help.

At a Justice Department oversight hearing on June 27, I asked Attorney General Janet Reno about this proposal. She responded, ''Our Office of Legal Counsel has examined this provision * * * and it has very serious concerns about its constitutionality as applied to naturalized citizens.''

An opinion I received from the Justice Department on July 18 elaborates on the Attorney General's statement. It says:

> Because the deeming provision in question here as applied to citizens, is directed at and reaches only naturalized citizens, (this) compels the conclusion that it constitutes discrimination against naturalized citizens.

The opinion further states that:

> As a matter of policy, we think it would be a mistake to begin now to relegate naturalized citizens—who have demonstrated their commitment to our country by undergoing the naturalization process—to a kind of second-class status.

The Supreme Court has clearly said that distinctions between native-born and naturalized citizens are unconstitutional. In 1964, in Schneider versus Rusk, the Court emphasized that ''the rights of citizenship of the native born and of the naturalized person are of the same dignity and are coextensive.''

Some argue that in bringing an immigrant to this country, the sponsor enters into a contract, promising to assist the immigrant for a specified period, whether or not the immigrant becomes a citizen in the meantime. They argue that this contractual commitment is like a trust—and that a trust is considered in determining eligibility for welfare, whether or not the applicant is a native-born citizen or naturalized.

However, the fact remains that this kind of arrangement—the deeming of a sponsor's income—is one which would only apply to naturalized citizens. For this reason, the Justice Department regards it as national origins discrimination, since—

> Among citizens otherwise eligible for government assistance, the class excluded by operation of the deeming provision is limited to those born outside the United States.

Those who naturalize and become citizens have made a substantial commitment to this country. They will have been here for at least 6 or 7 years—5 years to qualify for citizenship and 1 to 2 years to complete the naturalization process. They are required under our laws to have demonstrated

good moral character for the years preceding their naturalization. Most likely, they have worked and paid taxes throughout this period. And they have chosen America as the place to raise their children and build their futures.

American citizens are American citizens, whether by birth or by choice. We should not undermine this fundamental principle of our Constitution. I urge the adoption of the amendment of the Senator from California to ensure that when American citizens fall on hard times, their Government will be there to help—whether they were born as Americans or are naturalized Americans.

Mrs. FEINSTEIN. Mr. President, this is a very hard argument for me because I very much respect the Senator from Wyoming. He is my chairman on the committee. I do not think anyone in this body knows more about immigration. I doubt that he drafted the actual language in this bill.

All I can say is our reading, and the reading of others of the bill itself, indicates to us that the way it is worded, it would in fact affect people in this country at this time. The Bureau of the Census has identified 121,000 spouses and children of U.S. citizens who came into this country between 1990 and 1994 who, for starters, would be most definitely affected by this bill.

I mentioned earlier that I do not believe that anyone should come to the oath of being an American citizen and take that oath because they want welfare, whether it is cash or noncash. I would support any legislation to toughen the sponsorship requirements to provide for bona fide sponsorship. As a matter of fact, when the immigration bill is on the floor, I will offer an amendment to the bill which will provide that a sponsor must be responsible for health insurance for a person they are sponsoring to this country. So I fully believe that a sponsor should be responsible.

Where I have the difficulty is in the creation of two classes of citizens, because once it starts, once the camel's nose is under the tent, it will not end. And the fact is that a naturalized citizen is entitled to all of the rights of citizenship; that is a clearly established constitutional principle. I believe it will really jeopardize the constitutionality of this entire bill. It is a major point, I believe.

So I say, toughen sponsorship, toughen the naturalization process, do what you have to do to prevent somebody from using naturalization as a guise for some of these things. But once they get there, it must mean just what it means for every other citizen.

It has been said that an affidavit of support is an asset like a child support order. I do not believe that is true, because having assets means one is ineligible for welfare. A child support order is not an asset when determining eligibility for welfare. The welfare caseload is swollen with mothers who cannot collect on child support orders. Approximately 25 percent of the existing caseload is comprised of mothers who cannot collect on child support orders.

It has been said that people are not denied welfare because they have this asset. They are eligible for welfare benefits, the cost of which is only recovered if the Government is able to collect from the delinquent parent. If naturalized citizens could receive benefits while the Government attempts to collect from the sponsor, then the situation would be analogous. But that is not what the Dole bill says. And even if it did say that, it would still be treating naturalized citizens differently from native-born citizens. Denying assistance because there is an uncollected asset is not equal treatment under the law.

So let me repeat: A native-born citizen is denied welfare benefits only if there are assets available to the applicant. Just as a child support order which is uncollected is not an available asset, an affidavit of support on the naturalized citizen which is unable to be collected would not be an available asset. True, the Government could attempt to collect later, as with a child support order, but in the meantime, under the Dole bill, the applicant who is now a U.S. citizen would be denied assistance. So I believe that is wrong.

Let me speak for a moment to the 40 quarters of work and the contribution to the system. This affects the homemaker who does not work in a two-parent family. If the mother does not work, is supported by her husband, and her husband leaves, it is a major problem. Similarly, if you were an infant when your parents immigrated, you would not be eligible for benefits until you reached your 30's. That is hardly equal treatment.

Mr. President, I believe I have used my time. I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

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

The PRESIDING OFFICER. The Senator has 4 minutes and 25 seconds.

Mr. SIMPSON. Mr. President, I really appreciate the thoughts of my friend from California and will look forward to working with her on the issues of the sponsorship. I think that is a key thing. I think we can strengthen that, and I will look forward to working with her on that and on things such as insurance or support, releasing those who are not able to pay or be sponsors, perhaps setting a poverty level there. We can do those things.

But I emphasize, too, we always get into immigration matters. Every one of us is a child or a grandchild or a great-grandchild of immigrants. That is my history, my heritage, my roots. And it is most interesting to me when I hear the discussion of the second-class citizen. I agree totally with my friend from California; there is no distinction between a naturalized citizen and a native-born citizen except the Constitution. This certainly does not draw the distinction. If there is a difference here, it is a difference expressed only by the sponsor of the amendment, because we are treating them exactly the same. We are treating the naturalized citizen and the native-born citizen exactly the same under this.

I agree we should not in any way treat them differently, treat them as second-class citizens. Treat them the same. So here, in this case, as the bill is drafted, a native-born citizen today must disclose all assets when applying for welfare and the naturalized citizen should also, likewise, disclose all assets as well.

One of the assets of the person to be naturalized is a contract of their sponsor that they will take care of them. It is the same as a court-ordered sponsor agreement. It is the same as any other thing, any other obligation of life. The sponsor's contract of support is an asset of the naturalized citizen, just as alimony or a child support agreement is an asset that must also be considered.

We treat the naturalized citizen no differently than we do the native born. Both must present all of their assets while seeking public assistance. That is the intent of the legislation in its original form. If the sponsor loses his or her assets and income—please hear this—the deeming period is over. If the sponsor dies, the deeming period is over. If the sponsor has too little wherewithal or assets to assist the immigrant, to help with school or whatever, the deeming then will not reduce the applicant's ability to receive this assistance. It is very critical that we hear these distinctions.

What is the remainder of my time?

The PRESIDING OFFICER. One minute 11 seconds.

Mr. SIMPSON. Mr. President, I look forward to working with Senator FEINSTEIN. I welcome these expressions to toughen the sponsor's promise that he or she will ''not at any time''—that is the law—permit the sponsored immigrant to become a public charge. That, in my mind, is a very key phrase. To me in this debate it means before naturalization and after naturalization.

I thank the Chair.

I yield the remainder of my time.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent to add Senators SIMON, KOHL, and GRAHAM as cosponsors.

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

Mrs. FEINSTEIN. Mr. President, I ask for the yeas and nays and for the vote to be set in the order of voting.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, the vote is set for 8 o'clock in sequence.

Mr. CHAFEE. Mr. President, I ask that the votes that we originally asked

for to occur starting at 8 be postponed until 8:30.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, therefore, at that batting order, we will have the Shelby, Mikulski, and Feinstein amendments. And I know the Senator from California has another amendment, followed by Senator CONRAD. But I want to work in a Republican. Senator DEWINE was available. I do not see him now. So why do we not go with the second Feinstein amendment, and then work in a Republican Senator, Senator DEWINE, and then Senator CONRAD, if that is agreeable?

I say to everybody that it is not necessary to prove one's credentials by having an amendment. Everybody is a full-fledged Senator, and we recognize that. We will continue to recognize that even though they do not come forward with an amendment on this piece of legislation. At the rate we are going, we are going to be here a long, long time. I mean this evening a long time. Every time I turn around somebody comes up with an additional amendment. Usually Senators stand here and say, ''Bring over your amendments. We are waiting to do business.'' Well, we have too much business to do here. So we are not seeking additional amendments. So everybody just call a halt to the amendment business so we can get to final passage.

I see the Senator from Ohio has arrived. So if the Senator from California will just delay, we will go ahead with Senator DEWINE's amendment.

Mr. President, how much time is he asking for?

Mr. DEWINE. Ten minutes.

Mr. CHAFEE. I ask that we have 20 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MOYNIHAN. I am not sure who will speak on this side. But it is agreed.

Mr. CHAFEE. I do not know what the amendment is. Maybe somebody on this side will oppose it.

Mr. CONRAD. Do I understand from the acting manager that after we have disposed of the DeWine amendment and the final Feinstein amendment, we would then go to the Conrad-Lieberman amendment and dispose of that?

Mr. CHAFEE. That is right.

Mr. MOYNIHAN. Mr. President, I believe we erred in the description of the Senator from Rhode Island as an acting manager. I think he is very much a manager.

Mr. CHAFEE. Titles mean nothing.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

AMENDMENT NO. 2517, AS MODIFIED

Mr. DEWINE. Mr. President, I ask unanimous consent to modify my amendment No. 2517, and I send the modified amendment to the desk.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 2517), as modified, is as follows:

On page 637, line 17, strike the period and insert '', as provided pursuant to agreements described in subsection (a)(18).

On page 712, between lines 9 and 10, insert the following:

SEC. 972. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915, 917(a), 923, 965, 969, and 976 is amended by adding at the end the following new paragraph:

''(18) Procedures under which the State agency shall enter into agreements with financial institutions doing business within the State to develop and operate a data match system, using automated data exchanges to the maximum extent feasible, in which such financial institutions are required to provide for each calendar quarter the name, record address, social security number, and other identifying information for each absent parent identified by the State who maintains an account at such institution and, in response to a notice of lien or levy, to encumber or surrender, as the case may be, assets held by such institution on behalf of any absent parent who is subject to a child support lien pursuant to paragraph (4). For purposes of this paragraph, the term 'financial institution' means Federal and State commercial savings banks, including savings and loan associations and cooperative banks, Federal and State chartered credit unions, benefit associations, insurance companies, safe deposit companies, money-market mutual funds, and any similar entity authorized to do business in the State, and the term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.

Mr. CHAFEE. Mr. President, as we are modifying amendments, I wonder if we might also modify an amendment that Senator GRAMM submitted earlier. That is a modification to amendment No. 2280.

Mr. President, I withhold that request. The Senator from Ohio may go ahead.

Mr. DEWINE. Mr. President, one of the reasons that our welfare costs today are so high is the number of absent deadbeat parents who, in spite of a court order, in spite of judicial determination that they owe weekly or monthly child support, still flagrantly refuse to pay child support. This amendment goes a long way, I believe, to help deal with this problem.

Let me take just a moment, if I could, to congratulate Senator DOLE and to congratulate everyone else who has been directly involved in this bill because the child support enforcement section is a very good section. It was written after consultation with experts in the field, people who deal with this every day out in the 50 States who have to face the problem of trying to track down these deadbeat parents and then after they find them trying to figure out how to get money from them.

This particular amendment that I am offering was also based on our consultation with experts in the field, particularly the State of Massachusetts, which has some very, very good success. In fact, this particular amendment was modeled after what Massachusetts is doing.

The purpose of this amendment is to make it easier for States to crack down on deadbeat parents. We, of course, are all aware, Mr. President, that one of the key causes of our social breakdown is the failure of parents to be responsible for their own children. The family ought to be the school for citizenship, preparing the children for a responsible and productive life. Too often it is just the opposite, and parents do not do that. When they do not pay their child support, it is certainly very difficult for society to step in and fill the gap. We need to reconnect parenthood and responsibility, and making absent parents pay is one way that we can do it. We need to help States locate deadbeat parents and help States establish support orders for the children, and then finally enforce these orders. My amendment attempts to address this problem by providing for a more timely sharing of information with the States.

As I said at the beginning, it is good to get the child support order. It is good to locate the parent. But if you cannot figure out where the parent's assets are, it does not do anyone any good. It does not do the children any good. It does not do society any good. So what this amendment is aimed at doing is making it easier to locate the assets of the parents.

Today, Mr. President, the Federal Parent Locater Service in the U.S. Department of Health and Human Services gives the States banking and asset information about potential deadbeats on an annual basis—once a year.

Now, if you go out into the States and talk with people who have to track down these deadbeats, they will tell you how difficult that whole process is. I first became involved in this a number of years ago, in the early 1970's when I was a county prosecuting attorney. I cannot tell you how frustrating it was. You got a support order. You got a judge to say the person owed so much money. And then they took off. You could not find them. Then after you found them, you could not figure out where their assets were.

This amendment will help in that area. If you have to wait, Mr. President, a whole year to get the information about the bank assets of an individual, sometimes a year and a half, obviously many times that information is stale and many times that information does not give you the true information you really need. The person may have moved. They may have changed banks. They may not have any assets in the bank, et cetera.

My amendment will allow States to enter into agreements with the financial community in their States to match financial data with child support delinquency lists on a more frequent basis. Not only will States get information on an annual basis, this

amendment will allow for more timely information on a quarterly basis.

This quarterly system has already been implemented in the State of Massachusetts and the results have been nothing short of phenomenal, which this chart indicates. In 1994, Massachusetts child support enforcers collected $2.7 million in past due child support. This year, Massachusetts began a quarterly reporting system, and collections have dramatically increased. At the current rate, their child support collections for 1995 will be at $9.6 million. That, Mr. President, is more than three times what they collected last year. The year before, $2.7 million; this year, $9.6 million.

Let me congratulate and also thank Marilyn Smith, who is the director of the Massachusetts Child Support Enforcement Agency, who worked with my office and with Dwayne Sattler of my office and the rest of my staff to really get the language down so that other States would be able to do what Massachusetts has done.

So, Mr. President, when you are looking at what works and what does not work, this works. In short, when child support enforcers have timely information, they can make deadbeat parents pay what they owe, and that means more parents responsible for their children.

We have received the CBO scoring on this amendment, and it will be at least revenue neutral. As someone who has worked in this field and did this for a number of years, let me tell you my guess is it is going to be a lot better than revenue neutral. This is going to be a very positive thing for each State. I believe it will save money for the Federal Treasury as more and more parents own up to their financial responsibility of having children.

This amendment is cost-effective and it is necessary. The child support enforcers are doing a very tough and difficult job, facing horrible obstacles every single day. I think we should cut by 75 percent, which is what this amendment does, the amount of time they have to wait to get this valuable information. Information is power, they say, but in this case information is money. So if you get the information on time, you take the court order, you go in, slap a lien on the bank account, you draw the money out, and guess what? That deadbeat parent has now started contributing his or her fair share not just to that family, which is the most important thing, but also to society as well.

That is why I believe my amendment will do a great deal of good. I urge it be adopted.

Mr. President, let me just clarify for the record that the amendment that I am modifying is amendment 2517 and not 2519.

I thank the Chair.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President I would like to ask the sponsor of the amendment a couple of questions.

Under the amendment as I read it, it is an option for the State; it is not mandatory. Is that correct?

Mr. DEWINE. That is correct.

Mr. CHAFEE. Second, the amendment says that the State shall enter into agreements with financial institutions to develop and operate a data match system.

I understand under this the State would bring a list of those who are delinquent to the bank instead of the bank having to provide the State with the name of everybody who had a deposit in that bank. Is that correct?

Mr. DEWINE. That is correct.

If the Senator will yield, what we have done with this is to try to model the Massachusetts program. What Massachusetts has been able to do is to work out, it is my understanding, an agreement between the private banking community and the State to have a system that is not overly burdensome on the banking community; it is something that they can live with but something also that gives the information to the people who need it and give it in a very timely fashion.

Let me just say that one of the things we did, Mr. President, is we checked with the Ohio banking community, just to try it out. We said, would you be willing to do something like this? And the answer was, we are citizens of the State and we want to be good corporate citizens. We want to help out. It is something we can live with. If it is not overly burdensome and is directed at dealing with the problem, we are more than happy to comply.

What will happen, as the Senator knows, many times people move from State to State. With all States doing this, we will have in the law the system where the States can share information.

And so what I would anticipate once this system is fully up is that not only in Ohio would you basically get this information, but if a person took off and went to Connecticut or Rhode Island or Arizona, that information could be shared by cooperating with that State.

Mr. CHAFEE. As I read the amendment, it is not optional for the bank to participate if the State decides that they want the bank to participate. In other words, as I read the amendment, it says that the State shall work out agreements with the banks to develop a data match system in which such institutions are required to provide every quarter, et cetera.

So it is not just an encouragement. It is a requirement if the State so chooses.

Mr. DEWINE. That is correct. The Senator is correct.

Mr. CHAFEE. I can see this being extremely burdensome for the bank if each quarter they have to come up with everybody who has a deposit in the bank that appears on some list the State submits to them.

I presume the banks are permitted to charge something for all this.

Mr. DEWINE. Absolutely. What will happen on a practical basis is what has happened in Massachusetts and what I am sure would happen in Ohio, and that is, quite frankly, the State officials would enter into an agreement with the banking association, whoever represents all the banks in the State, for something that is actually very, very workable.

As someone who has dealt with this at the local community level, if you do not have the cooperation of a bank, if they do not want to do this, you are going to have a lot of problems. And so you have to have the good will of the bank. And to get the good bill of the bank, what you simply do is work out something that they clearly can in fact live with.

The other point I would make to the Senator is that we are not talking about huge lists being supplied to a bank. We are talking about basically a single shot where you go in with a limited list and that would only be triggered basically once the parent locater, whatever that agency was in the State, had information that that person might be in that bank's jurisdiction.

Mr. CHAFEE. Well, I am not sure it is so simple as all that. It comes up every quarter, four times a year. But I am not on the Banking Committee. This is the kind of thing that I really wish had gone through the Banking Committee and let them have hearings on it, and let them know what the costs are and what the problems are that arise under it.

I do not know whether anybody else wants to speak on this. Does the Senator want a vote on this?

Mr. DeWINE. If I just could say, we have worked closely with people in the banking community. And I do appreciate the Senator's comments about not having a hearing on it. I understand that. But this amendment is based on matching computer tapes, basically a computer match with tapes, which we are told is not, with today's technology, really much of a burden. It is not the creation and not asking for the creation of a new list. It is a computer match with tapes to get this particular job done.

I also say that if a person wanted to get a court order in every case, they could go in and get a court order for the bank records anyway on a case-by-case basis. That is not the right way to do it. This, we believe, is the right way to do it.

Mr. CHAFEE. I tell you what. We may be in a position to take this amendment. Why does not the Senator ask for the yeas and nays? And if he would be willing to vitiate those yeas and nays, if we can take it. We have got to check. Why not ask for the yeas and nays?

Mr. DeWINE. I will at this point, Mr. President, ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the Senators yield back the remaining time?

Mr. CHAFEE. I do.

Mr. DeWINE. I do, Mr. President.

The PRESIDING OFFICER. All time is yielded back.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Now we will go to the second amendment of the Senator from California.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Thank you, Mr. President.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mrs. FEINSTEIN. And I thank the bill manager.

AMENDMENT NO. 2513

Mrs. FEINSTEIN. Mr. President, this amendment involves deeming. It is a complicated issue. Let me try and explain it simply. It only involves legal aliens.

Presently, deeming only applies to cash programs, AFDC, SSI, food stamps. This amendment would remove the deeming requirements for Federal programs not traditionally considered Federal welfare programs. It would retain the deeming for the three principal Federal cash welfare programs: AFDC, SSI, and food stamps.

Under the bill, a child of a legal immigrant would not have access to Head Start; a legal immigrant would not have access to Medicaid, would not have access to child protective services, would not have access to maternal health services, would not have access to foster care, would not have access to custodial care. All of these programs deemed—excuse me, not deemed—but all these programs which are noncash programs would not be available for anyone who was in this country legally.

The amendment also provides that no one in this country legally who is a battered wife could ever make use of a domestic abuse program, a battered wife shelter. There are actually some 80 programs that provide noncash assistance, and I have named most of them. The most important one of these is Medicaid.

Everyone in this room has heard Governors across this Nation bellow that the Federal Government is not dealing with the costs of immigrants to the States. Every one of them says this, that has the program.

Essentially, the way the bill is drafted, it is a massive cost-shift to States because it says that the county then has to pick up these costs. The county would have to pick up the costs of Head Start if a youngster was going to go into it. The county would have to pick up the costs of Medicaid or the State. The county would have to pick up the costs of child protective services or foster care or any of those items.

It is a major item. And I will be candid and frank with you; it falls most heavily on four States. It falls heavily on Texas, it falls heavily on Florida, it falls heavily on New York, and it falls heavily on California. And that is because that is where the largest percentages of these legal immigrants are.

Now, as I mentioned earlier in the earlier discussion, I believe we should tighten the sponsorship requirements. I believe we should see that they are secure, even verify what they say. And I intend to introduce legislation that would provide that sponsors of immigrants must provide health insurance for those immigrants. But here we are with a situation that exists really creating a massive unfunded mandate, particularly in the area of legal immigration.

This amendment is supported by the National Governors' Association, the National Conference of State Legislatures, the National Association of Counties, the National League of Cities, the United States Catholic Conference, the Leadership Conference on Civil Rights, Mayor Giuliani, Mayor Riordan, and many other people as well.

I ask unanimous consent to have printed in the RECORD the letter from the National Governors' Association.

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

NATIONAL GOVERNORS ASSOCIATION,
Washington DC, September 13, 1995.

DEAR SENATOR, As the Senate considers amendments to the Work Opportunity Act of 1995, the National Governors' Association [NGA] urges you to support increased flexibility that will enable states to build upon the experiences of state welfare reform efforts around the country and to design programs in accord with their particular needs and priorities. We have provided below a partial list of amendments that are supported by the NGA. This list is not meant to be exhaustive, and there may be other amendments Governors support that are not on this list.

We urge you to support these amendments based on the recommendations of the nation's Governors, who will have direct responsibility for meeting the challenge of designing successful welfare-to-work and child care systems:

State penalties under cash assistance block grant. (Pryor #2495, McCain #2542) Delays the implementation of penalties until October 1, 1996 or six months after the date the Secretary issues the final rule, whichever is later. Provides that the five percent penalty for unlawful use of funds can only be imposed if the Secretary determines the violation was intentional. Permits states with penalties to submit to the federal government a corrective action plan to correct violations in lieu of paying penalties under the cash assistance block grant.

Technical amendments. (D'Amato #2577, 2578, 2579) Technical amendments relating to the date for determining FY 1994 expenditures, claims arising before effective dates and efforts to recover funds from previous fiscal years.

Equal treatment for naturalized citizens. (Feinstein #2478, Kennedy #2563) Provides for equal treatment for naturalized and native-born citizens so that once an individual becomes a citizen he or she will be eligible for benefits whether or not the deeming period has expired.

Sponsor deeming. (Feinstein #2513) Limits deeming of sponsors' income to those programs for which deeming is now required under current law (AFDC, Food Stamps and SSI). Additionally exempts legal immigrants who have been victims of domestic violence from the 1) ban on SSI assistance and 2) deeming requirements for all programs.

Prospective application of legal immigrant provisions. (Graham #2569) Provides that any changes with respect to legal immigrants made by this bill will not apply to noncitizens who are lawfully present in the United States and receiving benefits under a program on the date of enactment. (Simon, #2509) Eliminates retroactive deeming requirements for legal immigrants already in the U.S.

''Good cause'' hardship waiver. (Rockefeller #2492) Gives states the option of granting exceptions to the 5-year life-time limit and the participation rate calculation for individuals who are ill, incapacitated, or elderly, as well as for recipients who are providing full-time care for their disabled dependents.

High unemployment areas exemption. (Rockefeller #2491) Gives states the option of waiving time limits in area of high unemployment (ten percent or more). Recipients must participate in workfare or community work to continue benefits.

Vocational educational training. (Jeffords #2557) Changes the definition of work activities to allow vocational education to count as an eligible activity of up to 24 months.

Data reporting requirements. (McCain #2541) Provides that states are not required to comply with excessive data collection and reporting requirements, as determined by GAO, unless the federal government provides sufficient funds to meet the costs.

Work supplementation. (McCain #2280) Removes the six month limit for an individual's participation in a work supplementation program under the food stamp program.

Cash aid in lieu of food stamps. (Faircloth #2600) Allows a state agency to make cash payments in lieu of food stamps for certain individuals.

Hardship waiver. (Kennedy #2623) Permits states to apply for waivers with respect to the 15 percent cap on hardship exemptions from the five-year time limit.

Assistance to children. (Kennedy #2624) Permits states to provide non-cash assistance to children ineligible for aid because of the five-year time limit.

Modification of participation rate (DeWine #2518) Permits a pro rata reduction in a state's participation rate due to caseload reductions not required by federal law or due to changes in a state's eligibility criteria.

Sincerely,

GOV. BOB MILLER,
State of Nevada.

Mrs. FEINSTEIN. I thank the chair.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum, and the time to be equally charged against—

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. Will the Senator yield time to the Senator from Wyoming?

Mr. CHAFEE. Yes.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. I just came to the floor many minutes ago to debate a different amendment. But I see apparently there is no one on the other side of this, and that should not go untended. If I may then speak in opposition to the amendment, that, first of all, this amendment is not about domestic violence and the other tragedies that visit upon our Nation.

I have found—and I share with my colleague from California that on these issues of immigration, filled with emotion, fear, guilt and racism, your colleagues during the entire day say, ''Alan, we are very pleased to assist you in all this work.'' But when it comes time to stand on the floor, they are absent in great droves—droves—I have found, because these are not popular issues.

How about cash assistance, noncash assistance? The Senate has already accepted an amendment from Senator WELLSTONE which will address all concerns about violence, domestic violence, all that. That is clear. That has already been done somewhere along the line. This amendment exempts all noncash programs from all of the immigration-related provisions within this entire welfare bill.

The cost of it is $707 million. We are never going to reach the reconciliation instructions with this welfare bill. And the Finance Committee has now been charged—there are some on the floor. Senator BRADLEY serves on that committee. Of all the savings to be obtained in reconciliation, $607 billion are to be saved. And the Finance Committee is supposed to find a way to save $503 billion or $530 billion of that.

This welfare bill has already taken us over the jumps. Senator SANTORUM will tell you that, the occupant of the chair—yes, yes, the occupant of the chair will tell you that we are a little bit over our mark. And we have done that out of charity and kindness and caring. And that is fine; those are good motives. But we are way over the target with this bill.

Now, this amendment exempts all noncash programs and, as I say, all of the immigration-related provisions within this bill.

Before a prospective immigrant may enter the United States, that person must guarantee that he or she will not use public assistance, I say to my colleagues. That has been the law of the United States since 1882. It never worked because the court systems, in their interpretation of it, made it simply a neutered statute.

So you could not prove anything. The deeming was overturned and sponsoring agencies scoffed at it, relatives scoffed at it. So what was a very precious thing—and it is still on the books, since 1882, that a person will not become a public charge when they come to the United States of America. That person indicates by oath that they will not, and the sponsor is indicating that they will not allow that usually precious relative to become a public charge.

So, finally, in the Finance Committee, we corrected this abuse, a terrible abuse of the system, the kind of thing that makes people sour on immigration, sour on our precious heritage. That is what happens here.

So, in turn, we have this measure which requires immigrants to look first to the sponsor, this friend or this relative who guaranteed this support. They did this. They could not bring them unless they did this.

So we were saying in the bill, before receiving any public assistance, the sponsor is responsible for you, and his income is deemed to be yours for purposes of this. In the public's interest, the Dole bill then exempted certain limited programs, such as childhood immunizations and school lunch. I have no problem with that at all.

Senator FEINSTEIN's amendment would exempt all noncash programs. This includes Medicaid, public housing, job training and any other program which does not provide cash assistance to the recipient.

That is where we are. I have a hunch where this amendment will go. It will be well received, but it is $707 million, and we are going to have to go find that somewhere in this process. Guess where it will come from, very likely? Medicaid. That is where it will come from, unless someone can tell me another approach to it.

So here we are again with an immigration-related issue which has to do with compassion, kindness, tenderness. I know those things. Those are emotions not foreign to me, but I also know how this works. It is a great infertile field to just add and add and add. Sponsors have committed that the sponsored immigrant will neither require nor use assistance from the taxpayers of this country from any Federal welfare program, and that is the law of the United States of America.

To be consistent, all Federal welfare programs should require the sponsored immigrant to look to this friend or this relative or this sponsoring agency for assistance before turning to the American taxpayer for support.

We are not talking about illegal, undocumented persons who we care for with emergency medical assistance and hospital assurance. We are talking about people who are playing on the up and up when they came, sponsors who were playing on the up and up when they came, which was a very simple procedure: ''You come, I'll take care of you until you become self-supporting.'' That is the law of the United States of America.

You keep making these exemptions, and now we have to go find $707 million. I wish it were not a money item. It certainly is more than a money item. It is called responsibility for those you bring to the United States of America as a sponsor under the law of the United States.

I reserve the remainder of my time.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, how much time do I have?

The PRESIDING OFFICER. Five minutes 9 seconds.

Mrs. FEINSTEIN. I thank the Chair.

Mr. President, bottom line, this bill as drafted, without this amendment, is a massive cost shift. As I said, the costs are shifted essentially to four States: Texas, Florida, New York, and California.

What this bill says presently is no one in this country legally who is not a citizen can send their child to a Head Start Program, can be on Medicaid. It is not prospective. It affects everybody presently. That is why it is a cost shift. It would be one thing if it were prospective and said in the future, but it does not. It says to every legal immigrant's child out there that is in a Head Start class, ''Next year, forget it, you are no longer there.'' That is essentially the bottom line. Or somebody in the State has to pay for it, either the State or the county.

California has a huge deficit. According to the General Accounting Office, California also has 38.2 percent of all legal immigrants, but 52.4 percent of all immigrants receiving Federal welfare. New York has 12.6 percent; Florida, 8.9 percent; Texas, 8.6 percent; and other States, 31.7 percent. So you see, there is a huge cost shift in dollars from the Federal Government to the States.

That involves adoption assistance, it involves foster care, it involves child protective services. Can you believe it? If a child is being abused, the protective services are not going to be available if they are a legal immigrant? We passed legislation earlier—Senator EXON's amendment—overwhelmingly for people here illegally, and I agree with that. But these people are here legally and, therefore, I find the bill egregious as it stands right now.

Again, I am hopeful—and I would say, toughen sponsorship, look at people coming more carefully in this regard. I do not have a problem with that. But this is going to affect large numbers of people who are already in this country.

Eighty-three percent of all the immigrants receiving SSI or AFDC resided in the four States. AFDC and SSI are not covered by this amendment. It is only the noncash benefits, and I think I have spelled those out.

I do not know if there is anyone who would like to speak on this.

Mr. KENNEDY. Will the Senator yield for a brief question?

Mrs. FEINSTEIN. I will be happy to.

Mr. KENNEDY. The implications of this are extremely significant with regard to the urban hospitals, are they not, especially where there are major

groupings of urban hospitals that primarily take care of the poor, the disadvantaged and many of the immigrants as well? We find situations where even though there are relatives and other members of the family that might be able to participate in helping to offset the costs, an increasing number of people are becoming uninsured, through no fault of their own. Therefore, their relatives do not have the ability to extend the coverage to these individuals. That is taking place among immigrants who are here legally. And in many instances, sponsors have abandoned them, even though they have a responsibility toward the immigrants they sponsor, and these immigrants are really left holding the bag. As a result, the urban hospitals and health providers will be left holding the bag as well.

Does the Senator agree with me that without the Senator's amendment, there will be extreme additional stress placed on the health care providers, particularly in some of the neediest areas of the country?

Mrs. FEINSTEIN. I certainly agree with the Senator from Massachusetts. I think particularly the public hospitals in the urban centers are going to be whacked in the head unless this amendment is adopted, because a large percentage of patients comprise this population and there would be no reimbursements, no Medicaid.

Mr. KENNEDY. Who will end up paying for it then?

Mrs. FEINSTEIN. The county or the State would have to find a way. It is a cost shift.

Mr. KENNEDY. I thank the Senator.

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

Who yields time?

Mr. CHAFEE. Mr. President, I ask that the vote scheduled for 8:30 be postponed until the conclusion of this debate.

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

Mr. CHAFEE. Mr. President, it is my understanding—and I would like to ask the Senator from Wyoming this—in the case of domestic violence inflicted by the ''deemor,'' that has been taken care of, as I understand it, by the Wellstone amendment.

Mr. SIMPSON. Oh, yes, that is true. The Wellstone amendment took care of battered women and foster children, without question.

Mr. CHAFEE. Am I also correct that the suggestion was made by the Senator from California that it would be impossible for a legal alien's child to be in a Head Start program? As I understand it, if the ''deemor's'' assets were not of significant value, the child is not prevented from being in a Head Start program, is he or she?

Mr. SIMPSON. That was taken care of very nicely by Senator KENNEDY. We agreed to exempt Head Start and soup kitchens. That has been done.

Mr. KENNEDY. Will the Senator yield?

Mr. CHAFEE. If I might complete my questions. In connection with the foster care problems, the Boxer amendment, I believe, addressed them, am I correct?

Mr. SIMPSON. Mr. President, as far as I know, that, too, is also true, yes. But, Mr. President, there is another issue. The bill itself provides that there is a year period—an entire year—if a person is abused, if there is no money, if the sponsored individual is not there, or whatever may happen, it says that in the absence of assistance provided by the agency, if someone is unable to obtain food and shelter, taking into account the individual's own income, plus any cash, that is taken care of in this measure for 12 months—without question, whatever the reason. So this is not a case of some draconian business where we delight in taking people and waiting and suddenly see them fall into disarray and then whacking them or hitting them in the head. What will get hit in the head is Medicaid with this one.

Mrs. FEINSTEIN. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. CHAFEE. Does the Senator from California want a vote on her amendment?

Mrs. FEINSTEIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CHAFEE. Mr. President, we were to vote at 8:30. I ask that it be delayed for 10 minutes so the Senator from North Dakota, who has been patiently waiting for his amendment, might present it.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2528, AS MODIFIED

Mr. CONRAD. Mr. President, I call up my amendment No. 2528, the Conrad-Lieberman amendment.

The PRESIDING OFFICER. That amendment is now pending.

Mr. CONRAD. I ask unanimous consent to modify the amendment, as per the agreement.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. Mr. President, I ask if the Senator will withhold on that for a second.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CHAFEE. Mr. President, we can return to Senator CONRAD's amendment.

Mr. CONRAD. I thank the Senator from Rhode Island.

I ask unanimous consent to modify my amendment, as per the previous agreement.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 2528), as modified, is as follows:

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

''(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

''(1) IN GENERAL.—

''(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside 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.

''(B) INDIVIDUAL DESCRIBED.— For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

''(i) under the age of 18; and

''(ii) not married and has a minor child in his or her care.

''(2) EXCEPTION.—

''(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

''(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

''(ii) such individual has no parent, legal guardian or other appropriate adult relative as described in (ii) of his or her own who is living or whose whereabouts are known;

''(iii) no living parent, legal guardian, or other appropriate adult relative who would otherwise meet applicable State criteria to act as such individual's legal guardian, of such individual allows the individual to live in the home of such parent, guardian, or relative;

''(iv) the State agency determines that—

''(I) the individual or the individual's custodial minor child is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of such individual's own parent or legal guardian; or

''(II) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if such individual and such individual's minor child lived in the same residence with such individual's own parent or legal guardian; or

''(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual or minor child.

''(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance

home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

''(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

''(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

''(B) AMOUNT DETERMINED.—

''(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

''(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

''(I) for fiscal year 1996, $25,000,000;

''(II) for fiscal year 1997, $25,000,000; and

''(III) for each of fiscal years 1998, 1999, 2000, 2001, and 2002, $20,000,000.

''(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of this paragraph.

''(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

''(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

''(2) an alternative educational or training program that has been approved by the State.

On page 51, strike ''(e)'' and insert ''(f)''.

At the appropriate place, insert the following:

SEC. ___. ESTABLISHING NATIONAL GOALS TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) preventing an additional 2% of out-of-wedlock teenage pregnancies a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 of the Social Security Act (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

''(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for preventing out-of-wedlock and teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

''(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).''.

SEC. ___. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

Mr. CONRAD. Mr. President, I ask unanimous consent that Senators PRYOR, BRADLEY, and KERRY of Massachusetts appear as original cosponsors in addition to Senator LIEBERMAN.

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

Mr. CONRAD. Mr. President, this amendment promotes a comprehensive strategy that prevents teen pregnancy. Mr. President, if there is one agreement on both sides of the aisle, it is that teen pregnancy is a crisis in America. One out of three children being born today are born out of wedlock. In some cities of America, two out of three children being born are born out of wedlock. Here in the Nation's capital, this year, more than two out of three children are being born out of wedlock.

Teen pregnancy is a critical challenge. It is a tragedy for America. It is a tragedy for the children. It is a tragedy for the young women. It is a tragedy for our entire country.

Mr. President, in 1992, there were more than a half million births to teenagers, and 71 percent of those births were to unmarried parents. The Conrad-Lieberman amendment is designed as a comprehensive strategy to take on this challenge.

Mr. President, the Conrad-Lieberman amendment does the following:

It provides $150 million over 7 years for States to develop adult-supervised living arrangements. I call them ''second-chance homes.'' They are places where young, unmarried mothers can get the structure and supervision they need to turn their lives around.

It retains the requirement that teen parents live with their parents or another responsible adult.

It requires that they stay in school.

It establishes a national goal to prevent out-of-wedlock pregnancy to teens by 2 percent a year.

It encourages communities to establish their own teen pregnancy prevention goals.

Finally, it calls for the aggressive prosecution of men who have sex with girls under the age of 18.

Mr. President, I think the most compelling testimony before the Finance Committee was from Sister Mary Rose McGeady, the head of Covenant House. She has been in the trenches, she has fought this battle, and she has been succeeding. They have dealt with hundreds of young mothers who have come into their facilities and have had the structure, the support, and the discipline, and the help in seeing themselves as having a future, the vision to see that they could do something more with their lives, if they did not have another child before they were able to care for it. Sister Mary Rose reported that they have been very successful in preventing those young women from having another child.

Mr. President, I read in the RECORD yesterday the statement of Elena, a young woman in New York who was in one of these second-chance homes. I will repeat her statement:

> I feel this is a place where I can get my life together. I am getting my education and learning to work. My mother never cared if I went to school, and she never told me about having babies or being a parent. The people here and the programs here are helping me. I am learning to be a teacher's assistant so that I can go to college and start my own business and get off of public assistance. I needed this chance.

Elena is not alone. There are others like her that need a chance.

Mr. President, I ask to have printed in the RECORD a statement of Bishop John Ricard, Chairman of the Domestic Policy Committee, United States Catholic Conference, a statement of Catholic Charities USA also be printed in the RECORD, and a National Council of Churches of Christ in the USA, a statement in support of the amendment, also be printed in the RECORD.

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

STATEMENT OF BISHOP JOHN H. RICARD, SSJ, CHAIR, DOMESTIC POLICY COMMITTEE, UNITED STATES CATHOLIC CONFERENCE

We are pleased to offer our support and encouragement to the efforts of Senator Conrad and others to provide education, training and adult supervision to teen parents as part of welfare reform in the Senate. We are hopeful that this approach will be adopted rather than the cut-off of all benefits to teen parents which some Senators are proposing. We opposed such measures in the House welfare reform bill.

In its March 1995 welfare reform statement, the Catholic Bishops' Conference Administrative Board urged that alternatives be proposed ''which safeguard children but do not reinforce inappropriate or morally destructive behavior.'' The Bishops went on to state that the Catholic Church works every day against sexual irresponsibility and out-of-wedlock births and they do not believe that teenagers should be encouraged to set up their own households. At the same time, however, the statement criticized legislation which would deny benefits to children born to teen parents, especially in states that pay for abortions. We believe that the Conrad Amendment goes a long way towards providing appropriate options for teen parents who

are eligible for assistance without encouraging them to resort to abortion.

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE USA,
Washington, DC.

STATEMENT ON PROVISIONS RELATED TO TEEN PREGNANCY IN WELFARE REFORM LEGISLATION

(By Mary Anderson Cooper, Associate Director, Washington Office)

As people of faith and religious commitment, we in the churches are called to stand with and seek justice for people who are poor. We share a conviction, therefore, that welfare reform must not focus on eliminating programs but on eliminating poverty and the damage it inflicts on children (who are ⅔ of all welfare recipients), on their parents, and on the rest of society.

We are particularly concerned that children not be victimized by attempts at welfare reform. We reject proposals which would deny benefits to children born to unmarried mothers under the age of 18 in the name of preventing teen pregnancy. Although such proposals are focused on the desirable goal of reducing pregnancy outside of marriage, we believe that they would result in punishing children and their parents. Denying cash benefits for such families will inevitably mean that the children and their mothers will eat less well and live less well than they would have if they had received cash benefits, and that their health will be undermined. Whatever we may feel about the behavior or situation of their parents, as a nation we must not allow children to become the victims of a drive to reduce federal spending or to punish their parents for conduct deemed inappropriate by Congress.

While we oppose denial of benefits to children born to unmarried mothers, we do not believe that remaining silent on the issue of teen pregnancy is helpful. The bearing of children outside of marriage has reached nearly epidemic proportions in this country. Both children and their parents suffer as a result of this situation. There is much scholarly evidence to suggest that despair about the future is one of the things that leads young women to give birth before they are able to care for their children in a stable family setting. It is our belief that providing young people with genuine hope for their futures is one key way of discouraging adolescent pregnancies. Education, job training, and creation of employment opportunity are components of that hope, as is having the chance to relate to caring adults.

The amendment being proposed by Sen. Conrad and his colleagues goes a long way toward meeting our concern about providing education and a chance at a decent future and discouraging future pregnancies outside of marriage. By providing cash benefits to allow young mothers to stay at home with their parents and finish high school, the amendment removes the incentive for them to set up separate, unsupervised living arrangements. Their is legitimate concern about the safety of young mothers who are in abusive households; but Sen. Conrad's amendment contains thoughtful provisions to allow such individuals to leave inappropriate homes to live in other supervised setting with caring adults. We particularly commend this flexibility.

We recognize that the federal deficit must be reduced. Nonetheless, we believe that reducing welfare costs by denying benefits to teenaged mothers and their children is shortsighted and will lead to the creation of a human deficit that will ultimately be more damaging to our country than an unbalanced budget could ever be.

A STATEMENT OF SHARED PRINCIPLES ON WELFARE REFORM—INTRODUCTION

As people of faith and religious commitment, we are called to stand with and seek justice for people who are poor. This is central to our religious traditions, sacred texts, and teachings. We share a conviction, therefore, that welfare must not focus on eliminating programs but on eliminating poverty and the damage it inflicts on children (who are ⅔ of all welfare recipients), on their parents, and on the rest of society.

We recognize the benefit to the entire community of helping people move from welfare to work when possible and appropriate. We fear, however, that reform will fail if it ignores labor market issues such as unemployment and an inadequate minimum wage and important family issues such as the affordability of child care and the economic value of care-giving in the home. Successful welfare reform will depend on addressing these concerns as well as a whole range of such related issues as pay equity, affordable housing, and access to health care.

We believe that people are more important than the sum of their economic activities. Successful welfare reform demands more than economic incentives and disincentives. It depends on overcoming biased assumptions about race, gender and class that feed hostile social stereotypes about people living in poverty and suspicions that people with perspectives other than our own are either indifferent or insincere. Successful welfare reform will depend ultimately upon finding not only a common ground of policies but a common spirit about the need to pursue them for all.

The following principles do not exhaust our concerns or resolve all issues raised. The principles will serve nonetheless as our guide in assessing proposed legislation in the coming national welfare debate. We hope they may also serve as a rallying point for a common effort with others throughout the nation.

PRINCIPLES

An acceptable welfare program must result in lifting people out of poverty, not merely in reducing welfare rolls.

The federal government should define minimum benefit levels of programs serving low-income people below which states cannot fall. The benefits must be adequate to provide a decent standard of living.

Welfare reform efforts designed to move people into the work force must create jobs that pay a livable wage and do not displace present workers. Programs should eliminate barriers to employment and provide training and education necessary for inexperienced and young workers to get and hold jobs. Such programs must provide child care, transportation, and ancillary services that will make participation both possible and reasonable. If the government becomes the employer of last resort, the jobs provided must pay a family-sustaining wage.

Disincentives to work should be removed by allowing welfare recipients to retain a larger portion of wage earnings and assets before losing cash, housing, health, childcare or other benefits.

Work-based programs must not impose arbitrary time-limits. If mandated, limits must not be imposed without availability of viable jobs at a family-sustaining wage. Even then, some benefit recipients cannot work or should not be required to work. Exemptions should be offered for people with serious physical or mental illness, disabling conditions, responsibilities as caregivers for incapacitated family members, and for those primary caregivers who have responsibility for young children.

Welfare reform should result in a program that brings together and simplifies the many efforts of federal, state and municipal governments to assist persons and families in need. ''One-stop shopping centers'' should provide information, counseling, and legal assistance regarding such issues as child support, job training and placement, medical care, affordable housing, food programs and education.

Welfare reform should acknowledge the responsibility of both government and parents in seeking the well-being of children. No child should be excluded from receiving benefits available to other siblings because of having been born while the mother was on welfare. No child should be completely removed from the safety net because of a parent's failure to fulfill agreements with the government. Increased efforts should also be made to collect a proper level of child support assistance from non-custodial parents.

Programs designed to replace current welfare programs must be adequately funded. They will cost more in the short-term than the present Aid to Families with Dependent Children; but if welfare reform is successfully implemented, they will cost less as the number of families in need of assistance diminishes over the long-term. Funds for this effort should not be taken from other programs that successfully serve poor people.

NATIONAL ENDORSING ORGANIZATIONS

Adrian Dominican Sisters; American Baptist Churches, USA; American Ethical Union, Inc., National Leaders Council (AEU); American Friends Service Committee; Bread for the World; Church of the Brethren, Washington Office; Church Women United; Columban Fathers Justice and Peace Office; Episcopal Church; General Board of Global Ministries, United Methodist Church, Institutional Ministries; General Board of Church and Society, United Methodist Church; Interfaith IMPACT for Justice and Peace; Jesuit Social Ministries, National Office; Evangelical Lutheran Church in America; Maryknoll Society Justice and Peace Office; Mennonite Central Committee, Washington Office; Committee on Church and Society, Moravian Church, Northern Province; National Council of Churches; National Council of Jewish Women; NETWORK, A National Catholic Social Justice Lobby; Presbyterian Church (USA), Washington Office; Union of American Hebrew Congregations; Unitarian Universalist Service Committee; United Church of Christ, Office for Church in Society.

CATHOLIC CHARITIES USA,
August 4, 1995.

DEAR SENATOR: As the Senate takes up welfare reform, we urge you to adopt provisions to strengthen families, protect children, and preserve the nation's commitment to fighting child poverty.

Across this country, 1,400 local agencies and institutions in the Catholic Charities network serve more than 10 million people annually. Last year alone, Catholic Charities USA helped more than 138,000 women, teenagers, and their families with crisis pregnancies. Because Catholic agencies run the full spectrum of services, from soup kitchens and shelters to transitional and permanent housing, they see families in all stages of problems as well as those who have escaped poverty and dependency.

This broad experience, along with our religious tradition which defends human life and human dignity, compels us to share our strong convictions about welfare reform.

The first principle in welfare reform must be, ''Do no harm.'' Along with the U.S. Catholic Conference, the National Right-to-Life Committee, and other pro-life organizations, we have vigorously opposed child-exclusion provisions such as the ''family cap''

and denial of cash assistance for children born to teenage mothers or for whom paternity has not yet been legally established.

We are also convinced that the idea of rewarding states for reducing out-of-wedlock pregnancies is well-intentioned but dangerous in light of the fact that the only state experiment in this regard, the New Jersey family cap, already has increased abortions without any significant reduction in births. The ''illegitimacy ratio'' may well encourage states to engage in similar experiments that would result in more abortions and more suffering.

We also support Senator Kent Conrad's amendment, which not only would require teen mothers to live under adult supervision and continue their education, but also would provide resources for ''second-chance homes'' to make that requirement a reality.

The second principle should be to protect children. We are very concerned that the new work requirements and time limits for AFDC participation will leave children without adequate adult supervision while their parents are working or looking for work. The key to successful work programs is safe, affordable, quality day care for the children. The bill before the Senate does not guarantee or increase funding for day care to meet the increased need associated with the work requirements and time limits. Please, support amendments by Senators Hatch, and Kennedy to guarantee adequate funding to keep children safe while their mothers try to earn enough to support them.

The third principle should be to maintain the national safety net for children. We oppose block granting Food Stamps, even as a state option, because the Food Stamp program is the only national program available to feed poor children of all ages with working parents as well as those on welfare. On the whole, the Food Stamp program works well, ensuring that children in even the poorest families do not suffer from malnutrition.

We are encouraged by the fact that Senator Dole's bill does not seek to cut or erode federal support for child protection in the child welfare system. Proposals to block grant these essential protections are ill-advised and dangerous to children who are already abused, neglected, abandoned, and totally at the mercy of state child welfare systems. Federal rules and guarantees are essential to the safety of children.

The fourth principle should be fairness to all citizens. Certain proposals before the Senate would create a new category of ''second-class citizenship,'' making immigrants ineligible for most federal programs, even after they become naturalized Americans. We urge you to reject this and other proposals that would leave legal immigrants without the possibility of assistance when they are in genuine need.

The fifth principle should be to maintain the national commitment to fighting child poverty. In exchange for federal dollars and broad flexibility, states should be expected to maintain at least their current level of support for poor children and their families. We understand that Senator Breaux will offer such an amendment on the Senate floor. Please give it your support.

In our Catholic teaching, all children, but especially poor and unborn children, have a special claim to the protection of society and government. Please vote for proposals that keep the federal government on their side.

Sincerely,

FRED KAMMER, SJ,
President.

Mr. COATS. Mr. President, each year, over 1 million teenagers become pregnant. For many, the birth of the child signals the beginning of the cycle of welfare dependency. In 1993, the U.S. Department of Health and Human Services reported at least 296,000 unmarried teen mothers on welfare, 67,000 under the age of 18.

The current system of providing cash under AFDC to young teenage parents has failed. It has undermined families and provided the economic lifeline for generations of welfare dependency. It was wrong from the beginning for Government to provide checks to 15-year-old girls on the condition that they leave home and remain unmarried.

But as this destructive policy is reconsidered, many young, pregnant women are still in need, not of cash, but of direction, compassion and support. Ending AFDC could have the perverse effect of encouraging these women to have abortions, which would compound the tragedy, not solve it. Neither the status quo, nor a total cutoff, are good options. Creative ways must be found to give women in crisis pregnancies compassionate help in their own communities.

Private and religious maternity homes, also known by some as second chance homes, provide that help. They are a one-stop supportive environment where a young woman can receive counseling, housing, education, medical services, nutrition, and job and parenting training that gives them real opportunity for growth and decision making. Whether a pregnant mother makes a decision to parent themselves or to place the child up for adoption, she will receive important care, training, and life management skills to enable her make effective choices that will place her on the road to self-sufficiency.

Studies have shown that the infant mortality rate of babies born to residents of maternity homes is much lower than the national average. In addition, residents are more likely to complete their education and receive better paying jobs than teens who continue in regular schools through their pregnancies. Those teens who choose to parent are provided intensive parenting courses so that their children are at less risk for abuse and neglect.

Maternity homes are proven success stories. St. Elizabeth's Regional Maternity Center of New Albany, IN, is a prime example. Their mission is to ''address the needs of women and families that are in a crisis pregnancy by offering physical, emotional and spiritual support to ensure the physical and emotional health of the mother and the health of the baby.'' The results of St. Elizabeth's, like many other maternity homes, is impressive. Seventy percent of the women enrolled in their program have moved from welfare to self-sufficiency. Eighty-five percent have earned a diploma or GED.

Mr. PRYOR. Mr. President, I rise today to voice my support for the Conrad teen parent amendment and to take a few minutes to discuss a serious social problem that must be addressed—teenage pregnancy.

Senator CONRAD's amendment allows all States to do what my home State of Arkansas is already doing. Currently, Arkansas has a waiver to operate two programs for teen parents. The first requires minor parents to remain in their parents' or guardian's household in order to receive AFDC benefits. If a teenage parent is unable to live at home, the State places the young woman in an adult-supervised living arrangement. Teens should not be on their own raising a child. They need supervision, education, and support.

The second, requires teenage parents who have not finished high school to attend school or another training program to receive benefits, the point being that these teen mothers will never become self-sufficient if they drop out of school. However, the benefits are two-fold. The parent gets the education and skills she needs to become self-sufficient, and the children of these teen parents have a better chance of completing school themselves.

Mr. President, I cannot stress enough the need for programs that will educate these mothers and their children. It may be the only way we can decrease the welfare rolls. By teaching young adults about the consequences of teen pregnancies and the importance of an education, we can keep these young people out of welfare lines and focused on improving their future. Our Nation must work together to fight teen pregnancy. We should involve businesses, schools, religious institutions, and community organizations in order to bring together all facets of society in an organized effort to combat teen pregnancy both now and in the next generation.

Although birth rates among all teenagers are lower now than during the 1950's, the birth rate among unmarried teenagers has risen sharply over the last 30 years. In 1970, 70 percent of births to teens were to married teens. Now, 70 percent of births are to unmarried mothers. I find this statistic frightening.

My home State of Arkansas runs a close second to Mississippi for highest level of teen pregnancies. Among women ages 15 through 19, 80 out of every 1,000 give birth. In fact, in 1992, teenagers gave birth to more than 7,000 children in Arkansas. These facts cannot be ignored.

Another fact that cannot be ignored: teens from poor and educationally disadvantaged families are more likely to become pregnant than those from more affluent and highly educated parents. A recent study indicated that education is the number one predictor of teen pregnancy. Teenagers whose mothers have at least a high school education are half as likely to become teen mothers themselves. I am convinced that education is the key to our teen pregnancy problem. I realize that this is not a cheap solution, nor is it a quick

one. It could take a generation to reduce teen pregnancies significantly. The point is, of the limited amount we know about teen pregnancy prevention, we do know that education works. We should require young women who get pregnant to stay in school. It is the only chance they have to be able to provide a future for themselves or for their child.

Although teenage parents make up only a very small percentage of the current AFDC caseload, many older women on welfare had their first child as teenagers. Almost half of all adolescent mothers, both married and unmarried, began receiving AFDC within 5 years of giving birth for the first time. For unmarried adolescent mothers, this number increases to three-fourths. The fact is that the birth of a child compounds the disadvantages that many young people face and makes it more likely that they will live in poverty.

Mr. President, my State requires teen mothers to live with a responsible adult and to stay in school through waivers to the current AFDC program. These programs are effective because they say to these young parents that we, our society, and our Government, are willing to help them succeed, to help them learn, to allow them to have the opportunities that they, as American citizens, deserve. I do not believe that Arkansas is the only State which would benefit from such programs. This is why I support Senator CONRAD's teen parent amendment, and I urge my colleagues to join me in this support.

Mr. DOLE. Mr. President, I have been trying to work out the amendment. I thought if we worked it out on the basis we would accept it and not be required to have a rollcall vote. As far as I know it is unanimous. I thought that is what part of the package was.

Mr. CONRAD. I just say this to the leader. I was hopeful we could do this without a vote. Others who have been involved in this have insisted on a vote, and I am duty bound to honor their request after all.

Mr. DOLE. I may not be duty bound to accept it. We will see what happens here. My view was we were trying to speed up the process. It is now 20 minutes of 9 o'clock. We have been working in good faith all day. I do not know who requested the vote. I wish they were there. We spent an hour on the amendment. We could have had three or four votes. We will reserve judgment on the amendment.

Mr. CONRAD. I thank the majority leader. I say I was hopeful we could avoid a vote, and perhaps that could still be done. Maybe we can hear from Senator LIEBERMAN.

Mr. CHAFEE. Could I say it is a tremendous amendment. Everybody is for it. I do not see why we do not accept it and get it over with.

I wonder if the Senator might do this. We have other amendments. If he could check with his cosponsors and see if they drop their objections as we are dealing with the other amendments, then we can at least pick up some time.

Mr. CONRAD. I hope maybe we could have Senator LIEBERMAN make a brief statement before we resolve it. The idea was to have a whole——

Mr. CHAFEE. All Senator LIEBERMAN can do is to lose now. Everybody is for the amendment.

I yield 2 minutes to the Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, heeding the admonition, growing up in Connecticut State politics really always taught me when you got the votes call the roll.

I will be very brief and just say this: We have all talked about the problem of teenage pregnancy, of babies born out of wedlock and the extent to which that expands the welfare rolls; of the extent to which children born to poor, unwed mothers are born to a life that has very little hope in it; of the extent to which babies born to unwed mothers without a father in the house too often grow up to be the violent young criminals that disrupt, threaten, and hurt so many law-abiding people in our society.

On this bill I think we are beginning to do something about the problem of teenage pregnancy and illegitimate births. No one can claim any certainty about how to deal with, let alone solve, so profound and complicated a human problem. We have begun to offer some opportunities to the States particularly to make a difference.

Earlier today we sustained the part of this bill that deals with illegitimacy ratios and creates bonuses to States that are doing a good job at reducing the rate of illegitimacy.

Here in the amendment Senator CONRAD and I have crafted, which the Republican leader has worked with us on throughout the day, I think we make another constructive contribution.

We set up a national program with national goals. We recognize the startling fact that so many of the babies born to teenage mothers are actually fathered by adult men by calling on the States to once again enforce statutory rape laws, and we fund these very hopeful second-chance homes.

I thank all on both sides who have worked to put this amendment together. It is constructive. It can make a difference.

Let me say for the record I am not the one asking for the vote. I thank the Chair.

Mr. CHAFEE. I yield back the remainder of my time.

Mr. CONRAD. Might I ask for 15 seconds to resolve this matter?

Mr. President, we have checked with cosponsors who had made a commitment to ask for a vote on this matter, and we have persuaded them that the better part of valor is to have this accepted.

I ask unanimous consent that Senator ROCKEFELLER be listed as a cosponsor.

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

Mr. CONRAD. I ask that the majority leader also be listed as an original cosponsor.

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

Mr. CHAFEE. The amendment is agreeable.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2528), as modified, was agreed to.

Mr. DOLE. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. CHAFEE. I ask that the votes we are going to have be set aside for 10 minutes so the Senator from New Jersey can be heard.

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

AMENDMENT NO. 2496

Mr. BRADLEY. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment No. 2496 is pending. The Senator is recognized for 5 minutes.

Mr. BRADLEY. The purpose of this amendment is simply to put back into place the basic elements of a cash assistance program, which were left out, I hope inadvertently, from the bill. Without retaining at least the basic core of a system that assists poor families, we would have nothing to reform. It simply requires States to set their own rules for assistance and then follow those rules.

What is it we are trying to do here? I think, or I thought, that we were trying to change the welfare system to send clear messages about values, work, and responsible parenting. But if you wants to send a clear message, the rules have to be clear and firm. Parents have to know that if they violate the State rules, they will lose benefits, period. And if they follow the rules, look for work, take responsibility, they will be helped. Period.

Under the bill, States may use the grant in any manner that is reasonably calculated to accomplish the purpose of this part, and that purpose is defined simply as assisting needy families, which can mean anything. States could conceivably do no more than to refer needy families to a facility where some surplus cheese might be available for parents. States could operate a totally chaotic, arbitrary, discriminatory, or virtually nonexistent welfare system, while still collecting their funds under this block grant.

Governors have assured us that they will administer funds fairly and responsibly. I have no doubt that most of them will try to. But we also know that most States will face increasing financial pressure. Only a few States, according to the CBO, can afford to pay for the work requirements in this bill.

So even if States don't completely ignore whole populations, they might provide minimal assistance in one region of the State or put very needy applicants on a waiting list after the Federal funds run out.

The result will be the opposite of what is intended. Instead of imposing time limits on those who have been on welfare for a long time, we will put people who need help for the first time on a waiting list.

Without basic standards, work requirements would become meaningless, since there is no basic definition of who is eligible and therefore who should be in a work program. If a State has trouble meeting the work participation requirements under this bill, they can simply stop serving those who are having the most trouble finding work.

This amendment requires States to set basic eligibility standards, define categorical exceptions—such as time limits—and then follow those rules by assisting everyone eligible under those State rules. Everything in this debate suggests that this is what we expect States to do, so why not spell it out.

My amendment retains every aspect of State flexibility ever asked for by any Governor. States would be free to set eligibility standards and benefits, as they do now, and to set rules for income and assets. They could set short-time limits or deny benefits to unwed teen mothers or additional children born to women receiving benefits, as long as they apply the rules consistently.

I have also made clear in this amendment that States could also cut off benefits to any family under the terms of an individualized agreement with the family. The most innovative States, like Iowa and Utah as well as New Jersey, currently establish such contracts setting specific obligations for each family. A parent might agree, for example, to seek substance abuse treatment, and face a cutoff of benefits if he or she does not comply. This amendment makes clear that States can cut off benefits for failure to comply, as long as the rules are clear.

This amendment does not challenge any specific reasons a State might choose to cut a family off benefits, even though I have doubts about the merits of some of the categorical cutoffs in the House bill. What this amendment goes after is the arbitrary refusal to help a family: The waiting list. The neglected region of a State. The bureaucrat who has not gotten around to looking at the application. The agency that does not want the hassle of dealing with someone who will require more time to place in a job.

States could set any rules they like. But people have to know what the rules are. It's a very simple amendment, but without it, this bill is meaningless, empty, and potentially devastating news for families with children.

Rebuttal to claim that this amendment recreates entitlement.

This amendment does not entitle anyone to anything. It gives States total freedom to develop any kind of rule under which an individual can be cut off. If a State wants to say, you receive no benefits if you are seen jaywalking, they can do it.

Rebuttal to claim that this amendment is too prescriptive on States:

If Governors are concerned that this would prevent them from implementing some policy that they want to enact, I would like to know what that is. If Governors want to do something different from writing new rules and implementing them, I think they own us an answer about what it is they want to do.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2496) was agreed to.

Mr. DOLE. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. CHAFEE. Mr. President, I ask unanimous consent that there be 2 minutes between the second, third, fourth, and fifth rollcall votes—second, third, and fourth rollcall votes.

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

Mr. CHAFEE. And that after the first rollcall vote, the votes be 10 minutes.

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

VOTE ON AMENDMENT NO. 2526

The PRESIDING OFFICER. The question occurs on amendment No. 2526, offered by the Senator from Alabama [Mr. SHELBY] in which the yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Tennessee [Mr. FRIST] is necessarily absent.

Mr. FORD. I announce that the Senator from Maryland [Mr. SARBANES] is necessarily absent.

The PRESIDING OFFICER (Mr. GRASSLEY). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 5, as follows:

[Rollcall Vote No. 425 Leg.]

YEAS—93

Abraham	Conrad	Grassley
Akaka	Coverdell	Gregg
Ashcroft	Craig	Harkin
Baucus	D'Amato	Hatch
Bennett	Daschle	Hatfield
Biden	DeWine	Heflin
Bingaman	Dodd	Helms
Bond	Dole	Hollings
Boxer	Domenici	Hutchison
Bradley	Dorgan	Inhofe
Breaux	Exon	Inouye
Brown	Faircloth	Jeffords
Bumpers	Feinstein	Johnston
Burns	Ford	Kassebaum
Campbell	Glenn	Kempthorne
Chafee	Gorton	Kennedy
Coats	Graham	Kerrey
Cochran	Gramm	Kerry
Cohen	Grams	Kohl
Kyl	Murkowski	Shelby
Lautenberg	Murray	Simon
Leahy	Nickles	Simpson
Levin	Nunn	Smith
Lieberman	Pell	Snowe
Lott	Pressler	Specter
Lugar	Pryor	Stevens
Mack	Reid	Thomas
McCain	Robb	Thompson
McConnell	Rockefeller	Thurmond
Mikulski	Roth	Warner
Moseley-Braun	Santorum	Wellstone

NAYS—5

Bryan	Feingold	Packwood
Byrd	Moynihan	

NOT VOTING—2

Frist	Sarbanes

So the amendment (No. 2526) was agreed to.

Mr. SHELBY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MOYNIHAN. May we have order, Mr. President.

Mr. DOLE. Mr. President, I have just had a discussion with the distinguished Democratic leader, Senator DASCHLE, and we would like anybody here who feels compelled—I underscore the word compelled—to offer an amendment tonight or sometime during the night to let us know during this next vote. We would like to wrap up this bill. We are working on a major amendment that we think will be acceptable. And I know some people think they need to offer every amendment, and some of these amendments are not really germane to this bill. But we would like to have some idea of how many amendments we have left.

So if you would either let me know, if it is a Republican amendment, or Senator DASCHLE know, or the managers know, between now and the time the next couple of votes end, we would appreciate it.

AMENDMENT NO. 2669

The PRESIDING OFFICER. The next order of business is the Mikulski amendment 2669, 2 minutes evenly divided.

Who yields time?

The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator has 1 minute.

Ms. MIKULSKI. This amendment is offered by Senator BRADLEY and myself. Its purpose is to bring men back into the family: No. 1, to have tough child support; No 2, to promote marriage, and, No. 3, to end the parent trap that is in the GOP welfare reform bill. The GOP welfare reform bill does nothing to restore men in families.

What this amendment does is provide job placement for noncustodial fathers, meaning if a dad wants a job and to go to work, if he does not have work, we work to place him in it.

No. 2, we prevent States creating welfare rules that penalize marriage

and push men out of the family, particularly where they work more than 100 hours a month.

We also promote marriage. It says that where there is a family cap, this amendment would require them to come up with incentives that promote marriage. The other is we would pay child support to mothers, not to child support.

The PRESIDING OFFICER. The time of the Senator has expired.

Ms. MIKULSKI. Our amendment is good for fathers, for kids, for America. I urge its adoption.

The PRESIDING OFFICER. Who yields time?

The majority leader.

Mr. DOLE. Mr. President, I know the Senator feels very strongly about this amendment.

Let me just say, we have tried to accommodate a number of major amendments—child care. We have lost some savings on this bill, and our savings are not nearly as much as the House side. This amendment would cost $920 million over the next 7 years. That is almost $1 billion. There is no offset. It would come right out of the savings. I hope it will be rejected.

The PRESIDING OFFICER. Does the Senator yield back the time?

Mr. DOLE. I yield to the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, in addition to this amendment costing $1 billion, this sets up a job training and job search program for deadbeat dads and for people who let their kids go on welfare.

You have a hard-working parent who is trying to help their children, who is working in a job. They do not get any help from the Government. But if you have a deadbeat dad and you let your kids go on welfare, we are going to set up a job training and job search program for you. This is a misguided amendment.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered. This is a 10-minute rollcall vote. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Tennessee [Mr. FRIST] is necessarily absent.

Mr. FORD. I announce that the Senator from Maryland [Mr. SARBANES] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 34, nays 64, as follows:

[Rollcall Vote No. 426 Leg.]

YEAS—34

Akaka	Dorgan	Kennedy
Biden	Feingold	Kerry
Bingaman	Ford	Kohl
Boxer	Glenn	Lautenberg
Bradley	Harkin	Leahy
Breaux	Heflin	Levin
Conrad	Hollings	Lieberman
Daschle	Inouye	Mikulski
Dodd	Johnston	Moseley-Braun
Murray	Robb	Wellstone
Pell	Rockefeller	
Reid	Simon	

NAYS—64

Abraham	Faircloth	McConnell
Ashcroft	Feinstein	Moynihan
Baucus	Gorton	Murkowski
Bennett	Graham	Nickles
Bond	Gramm	Nunn
Brown	Grams	Packwood
Bryan	Grassley	Pressler
Bumpers	Gregg	Pryor
Burns	Hatch	Roth
Byrd	Hatfield	Santorum
Campbell	Helms	Shelby
Chafee	Hutchison	Simpson
Coats	Inhofe	Smith
Cochran	Jeffords	Snowe
Cohen	Kassebaum	Specter
Coverdell	Kempthorne	Stevens
Craig	Kerrey	Thomas
D'Amato	Kyl	Thompson
DeWine	Lott	Thurmond
Dole	Lugar	Warner
Domenici	Mack	
Exon	McCain	

NOT VOTING—2

Frist	Sarbanes

So the amendment (No. 2669) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, we must have order as a procedural matter is about to be discussed.

The PRESIDING OFFICER. Will the Senator suspend? The Senator from New York wants order. The Chair asks every Senator to pay attention to the Senator from Rhode Island who seeks the floor.

AMENDMENT NO. 2517, AS MODIFIED

Mr. CHAFEE. Mr. President, just to intervene here, we are prepared to accept the following amendment after the Feinstein amendment, which is the DeWine amendment. I know the Senator from Mississippi had some reservations, and there are some changes that we would make in that DeWine amendment before the conference. The other side is prepared to accept it, and we are prepared to accept the DeWine amendment.

The PRESIDING OFFICER. Is the Senator from Rhode Island seeking to vitiate the yeas and nays on the DeWine amendment?

Mr. CHAFEE. Correct. I ask unanimous consent that the yeas and nays be vitiated on the DeWine amendment.

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

The question is on agreeing to the DeWine amendment No. 2517, as modified.

So, the amendment (No. 2517), as modified, was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2478

The PRESIDING OFFICER. The next issue before the Senate is the Feinstein amendment 2478, with 2 minutes evenly divided. Who yields time?

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized for 1 minute.

Mrs. FEINSTEIN. I thank the Chair.

Mr. President, the bill, as presently drafted, would deny cash and noncash welfare benefits to naturalized citizens. The Constitution of the United States provides for one class of citizens, and the only place it diverges is with respect to the President of the United States.

In every other case, a naturalized citizen is as good as a native-born citizen. I believe it is extraordinarily important that this amendment be adopted. It is supported by the American Bar Association, by the Governor's conference, by the State legislatures, by Mayor Giuliani, by Mayor Riordan of Los Angeles, by virtually a whole host of organizations. It would be my hope that in this bill we do not, for the first time in American history, create two classes of American citizens.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time? The Senator from Wyoming is recognized for 1 minute.

Mr. SIMPSON. Mr. President, as many of you know, through the years, we do immigration reform legislation. It is always materially dressed, and then when we come to tough votes, we do not stick. This is one of those. We are not making second-class citizens of anyone. We are saying that whether you are naturalized or whether you are native born, one of the assets that is considered as to whether you are a public charge should be a contract, should be a court-ordered support, and we think that one of the things that should be in there is the affidavit of support of the sponsor. That is all we are saying.

That does not make anyone a second-class citizen. If you do not include that, then, in my mind, you are going to induce people to naturalize so they can get into the public support system. That is why I object to this measure.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered. This is a 10-minute rollcall vote. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Tennessee [Mr. FRIST] is necessarily absent.

Mr. FORD. I announce that the Senator from Maryland [Mr. SARBANES] is necessarily absent.

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

The result was announced—yeas 37, nays 61, as follows:

[Rollcall vote No. 427 Leg.]

YEAS—37

Abraham	Glenn	Mack
Akaka	Graham	Mikulski
Biden	Harkin	Moseley-Braun
Boxer	Hatfield	Murray
Bradley	Inouye	Pell
Breaux	Jeffords	Robb
Chafee	Johnston	Santorum
Cohen	Kennedy	Simon
Daschle	Kerry	Snowe
Dodd	Kohl	Specter
Feingold	Lautenberg	Wellstone
Feinstein	Leahy	
Ford	Levin	

NAYS—61

Ashcroft	Exon	McConnell
Baucus	Faircloth	Moynihan
Bennett	Gorton	Murkowski
Bingaman	Gramm	Nickles
Bond	Grams	Nunn
Brown	Grassley	Packwood
Bryan	Gregg	Pressler
Bumpers	Hatch	Pryor
Burns	Heflin	Reid
Byrd	Helms	Rockefeller
Campbell	Hollings	Roth
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Conrad	Kassebaum	Smith
Coverdell	Kempthorne	Stevens
Craig	Kerrey	Thomas
D'Amato	Kyl	Thompson
DeWine	Lieberman	Thurmond
Dole	Lott	Warner
Domenici	Lugar	
Dorgan	McCain	

NOT VOTING—2

Frist	Sarbanes

So the amendment (No. 2478) was rejected.

Mr. CHAFEE. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. CHAFEE. Mr. President, this is the last vote in this category. We have others coming after this. But the others have not yet been debated or rollcalls ordered. This is the last one in this group.

AMENDMENT NO. 2513

The PRESIDING OFFICER. The next order of business before the Senate is the Feinstein amendment numbered 2513. There are 2 minutes evenly divided.

Mrs. FEINSTEIN. Mr. President, under present law, deeming only applies to cash programs, AFDC, SSI and food stamps.

Without this amendment, there is a massive cost shift, particularly to four States: New York, Texas, Florida and California. That cost shift is literally hundreds of millions of dollars because it means that legal immigrants presently in this country today would not have access to Medicaid, to Head Start, to child protective services, to foster care, to any of those noncash programs.

Who would have to pick it up? The State or the local jurisdictions. It is a massive cost shift for four major States. I yield the floor.

Mr. DOLE. I say this is a $700 million reduction in the savings. I know it is a problem.

My view is we have already tried to accommodate a number of requests, and we believe we ought to protect the savings we have.

Mr. SIMPSON. Mr. President, we have already agreed to a Wellstone amendment which had to do with battered women and foster children, the exemption there. There was a Kennedy amendment with regard to Head Start, soup lines and kitchens. We have agreed to that.

This opens up this bill. This includes Medicaid, public housing, job training and any other program which does not provide cash assistance to the recipient.

We have a year's gap in the bill to take care of people in extremity who are broke or sponsors that cannot make it, or people who cannot make it and have no food and shelter. That is all in this bill. For a whole year we take care of those people.

This opens the gate for $707 million. I do not know where it is supposed to come from—maybe Medicaid.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 2513. The yeas and nays have been ordered. This is a is 10-minute rollcall.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Tennessee [Mr. FRIST] is necessarily absent.

Mr. FORD. I announce that the Senator from Maryland [Mr. SARBANES], is necessarily absent.

The result was announced—yeas 20, nays 78, as follows:

[Rollcall Vote No. 428 Leg.]

YEAS—20

Akaka	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boxer	Inouye	Murray
Daschle	Johnston	Simon
Dodd	Kennedy	Specter
Feinstein	Kohl	Wellstone
Glenn	Mikulski	

NAYS—78

Abraham	Exon	Lott
Ashcroft	Faircloth	Lugar
Baucus	Feingold	Mack
Bennett	Ford	McCain
Biden	Gorton	McConnell
Bond	Gramm	Murkowski
Bradley	Grams	Nickles
Breaux	Grassley	Nunn
Brown	Gregg	Packwood
Bryan	Hatch	Pell
Bumpers	Hatfield	Pressler
Burns	Heflin	Pryor
Byrd	Helms	Reid
Campbell	Hollings	Robb
Chafee	Hutchison	Rockefeller
Coats	Inhofe	Roth
Cochran	Jeffords	Santorum
Cohen	Kassebaum	Shelby
Conrad	Kempthorne	Simpson
Coverdell	Kerrey	Smith
Craig	Kerry	Snowe
D'Amato	Kyl	Stevens
DeWine	Lautenberg	Thomas
Dole	Leahy	Thompson
Domenici	Levin	Thurmond
Dorgan	Lieberman	Warner

NOT VOTING—2

Frist	Sarbanes

So, the amendment (No. 2513) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. MCCAIN). May we have order in the Senate? The Senate is not in order.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, I believe the Senator from Florida is next in our sequence. May I ask how much time the Senator will require, how little time the Senator will require?

The PRESIDING OFFICER. The Chair notes the distinguished majority leader is seeking recognition.

Mr. DOLE. Mr. President, I was going to ask the same question, if we could get some agreement on time, or get a voice vote. Some of these things could be disposed of on a voice vote, I think. Like an 80-to-20 vote, we could probably determine that by audible vote, if somebody wanted that. But if we could get a time agreement, that would be a start.

Mr. GRAHAM. Mr. President, 20 minutes, equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. There will be 20 minutes, equally divided.

Mr. DOLE. I yield to the Senator from West Virginia, Senator BYRD.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I hope Senators will take their cue from the majority leader and have voice votes. If it is any satisfaction to offer an amendment at this stage, just to offer it, get a voice vote on it. These amendments are not going anywhere. Most of these amendments are going to be dead on arrival when they get to conference. We are just wasting our time. There are not many Senators listening now. Look around these walls. Just look at the people stacked around the walls. We cannot get order in the Chamber. Who wants to speak when Senators cannot listen? We are just wasting our time, spinning our wheels.

We have had a good run for the bill. We have had a vote on the Democratic substitute. Several amendments have gotten good votes. I know that every person who offers amendments feels that they are good amendments. But we have reached a point now where the law of diminishing returns has set in.

I hope Senators will curb their appetites for rollcall votes and call up their amendments, have a voice vote. We are not going anywhere anyhow. Not many amendments are even going to carry.

We have been on this bill now for 12 session days. We have all had a good chance at it. We have had our run at it. Let us go home. I have a wife waiting on me and my little dog, Billy.

[Laughter.]

We have reached a point now where we are just looking foolish.

I thank the leaders and all Senators who have listened.

Mr. MOYNIHAN. Mr. President, with some temerity making a point and bringing attention to the rules and the presence of the ROBERT C. BYRD, may I say that if they voice vote and it is close, a Senator may ask for a division and get a count. It need not take 20 minutes.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I want to say that perhaps we can help resolve it, too, if we can get this consent agreement. Let me read it for my colleagues, and everybody can decide.

I ask unanimous consent that the following amendments be the only amendments remaining in order, other than those cleared by the two managers; that they be debated this evening, and the votes occur on or in relation to the amendments tomorrow beginning at 9:30 a.m., with 10 minutes between each rollcall vote to be equally divided in the usual form:

Bingaman, No. 2483; Bingaman, No. 2484; Simon, No. 2468; Wellstone, No. 2503 and 2505; Kennedy, No. 2564; Kohl, No. 2550; Graham of Florida, No. 2509 and 2568; Gramm of Texas, No. 2615, as modified, and 2617; Levin-Dole modification No. 2486.

I further ask that following the votes, beginning at 9:30 a.m. on Friday, the two leaders be recognized to offer the compromise modification Dole amendment, with 40 minutes for debate to be equally divided in the usual form, and that following the conclusion or yielding back of time, the amendment be so modified.

I also ask that following the modification, it be in order for one amendment to be offered by the majority leader and one amendment to be offered by ten minority leader; and that following the disposition of the two leaders' amendments, if offered, the Senate proceed to the adoption of the Dole amendment 2280, as amended; and that following the disposition of the Dole amendment, the bill be advanced to third reading, and final passage occur at a time and day to be determined by the majority leader after consultation with the Democratic leader.

Let me explain what this would do. This would mean that those who do not have amendments would not have to stay here for debate. Debate would be completed this evening, and we will start to vote tomorrow.

That would also give additional time—because we do have a rather major drafting effort going on—to others to take a look at that tomorrow morning to see if it is satisfactory to people on both sides.

I think I inadvertently asked for a Bradley amendment, which might create a new entitlement program. I might need to strike that out. I did not read it carefully enough. I thank my colleague from New Jersey.

So I might do that tomorrow because they are going to score this, and I do not want to lose any additional money. We have lost a little today.

But that would be the UC agreement. I think we have protected everybody's rights.

Mr. DASCHLE. Mr. President, will the majority leader yield?

Mr. President, I must confess I looked at it—with one exception that I believe our staffs have looked at—and I am a little concerned on reflection that the 40 minutes may not be an adequate period of time for people to look at the larger compromise amendment. we want to give everybody a chance to do that. It could be that less than 40 minutes may be required. If we could just delete any reference to a period of time, that would satisfy us.

Second, if we could just have two amendments to be offered by the majority leader and the minority leader, I think that would take care of any concern that we have.

Mr. DOLE. Two by the majority and two by the minority.

I make those modifications.

I take out the following words: ''With 40 minutes for debate to be equally divided in the usual form.''

So the modification reads: To offer the compromise modification to the Dole amendment, and that following the conclusion or yielding back of time, the amendment be so modified.

Mr. WELLSTONE. Reserving the right to object, I shall not, I wonder whether on the Wellstone amendment 2503, I say to the majority leader, change that to ''modified.'' I think that is OK with everyone.

Mr. DOLE. 2503, as modified. No problem. And 2505.

Mr. WELLSTONE. 2505 is fine.

Mr. DOLE. 2503, as modified.

Mr. WELLSTONE. As I understand the agreement, the time for vote on final passage is still left.

Mr. DOLE. Let me just assure everybody, I think this is a very important vote. Nobody wants to miss this vote. I know that some people are necessarily absent tomorrow. Some are necessarily absent on Monday.

I hope we could say, after the Tuesday luncheons, if everybody is in town.

Mr. DASCHLE. If I could just add not only that concern, but because we have made a lot of changes throughout the day, I think everybody ought to have plenty of opportunity to look at it prior to the time they are going to be casting their vote.

So for both reasons, I think it would be good if we held it over until next week.

Mr. DOLE. We want to get to third reading, have a vote, and we can start on appropriations tomorrow and wrap those up in a few days.

[Laughter.]

Mr. BINGAMAN. Mr. President, could I ask the majority leader, does the unanimous consent agreement contemplate some time tomorrow for some few minutes to discuss each amendment before the votes occur?

Mr. DOLE. Ten minutes. If you do not want to stay tonight, there are 10 minutes between each vote tomorrow.

Mr. BINGAMAN. I thank the majority leader.

Mr. DOLE. It might be better to do it tomorrow.

Is there objection?

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Reserving right to object, Mr. President, could we just have a better understanding as to when the final vote will occur?

Mr. DOLE. On the bill itself, final passage?

Mr. BYRD. Yes.

Mr. DOLE. It is my hope—I have not consulted with the Democratic leader—if all Members are in town, following the luncheons on Tuesday, we would vote following the luncheons on Tuesday.

Mr. BYRD. So is that part of the request?

Mr. DOLE. Yes. That is not part of the agreement in case somebody is ill or is not able to be here. I think we ought to make every effort to have everybody available.

Mr. BYRD. I thank the leader.

Mr. BRADLEY. Reserving the right to object, I understand what the majority leader said about the amendment that I offered. I wanted to assure him that the second part of the paragraph that I was reading explaining the amendment would have gotten to that aspect of the amendment. But the majority leader cut me off and moved to pass the bill.

So I appreciate what he said, and I look forward to tomorrow.

Mr. DOLE. I will strike out the second part, then.

[Laughter.]

But we will work it out. We will not have any problem.

Mr. KENNEDY. Mr. President, reserving the right to object, could I just say that the Senator mentioned amendment 2564. This was to make it agreeable with the Senator from Wyoming because it deals with a narrow element in terms of the refugees. He had agreed to changes on it. I would like to be able to modify that, if that is agreeable.

Mr. DOLE. Without objection, we would say 2564, as modified.

Mr. KENNEDY. I thank the leader.

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

Mr. DOLE. We have the agreement.

So Senator BINGAMAN is up now.

Mr. MOYNIHAN. I believe Senator GRAHAM was.

Mr. DOLE. Senator GRAHAM from Florida, excuse me.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Thank you, Mr. President.

AMENDMENT NO. 2509

Mr. GRAHAM. I call up amendment 2509.

Mr. President, this is another amendment that relates to the provisions in the bill having to do with that arcane subject of deeming. Deeming means that in calculating the financial status of an individual you deem to include in that individual's assets and income the assets and income of a third party. In this case, the individual who is affected is a person who——

The PRESIDING OFFICER. Will the Senator suspend?

Will the Senate please by in order?

The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, under this amendment, we are focused on one group of people, a finite, fixed number of individuals. Those are individuals who are in the United States lawfully as of the enactment date of this legislation. This is not an open-ended number of people which could be augmented by persons coming legally to the United States in the future.

What this amendment says is that for those people who are in the country legally today, legal aliens, they should be treated under the rules that exist today with one very major exception, and that is they would be treated in the legislation the majority leader would provide as it relates to supplemental Social Security income.

We are dealing in this amendment with a finite group of people, those who came into this country legally, who are in the country today, and who came here under certain rules and expectations. Frankly, one of those rules was that for many of these people they had a sponsor who sponsored their entry into the United States. Sadly, the fact is that by court ruling the sponsorships of legal aliens are extremely difficult to enforce, difficult to enforce by public agencies, difficult to enforce by private parties including the legal alien him or herself.

It seems to me extremely unfair, now that these people are in the country legally—and I underscore the word legally—to change the rules on them. It is particularly unfair for a specific group within this class that I would like to talk about, and that is those who have come here as relatively young people and are now enrolled in an educational program.

The largest community college in the country is Miami Dade Community College located in Miami. That one institution has some 20,000 legal immigrants within its student body, and 8,000 of those individuals are estimated to be ruled ineligible for student financial aid if an amendment such as the one that I have offered were not to be adopted.

Here are people trying to do exactly what the American dream is all about, to improve themselves by hard work, by education, by increasing their ability to contribute to the well-being of themselves, their families, their communities, and their Nation. With the failure to adopt this amendment, we would make it extremely difficult for many of these students to continue their education.

This legislation has the strong support of the American Association of Community Colleges and a variety of other State and local service providers who understand the implications of changing the rules for people who are in this country legally at the time this legislation goes into effect.

Mr. President, I appreciate your courtesy. I would like to yield time to actually the individual who was the original author of this legislation and who has been kind enough to allow me to join him in that effort, Senator SIMON of Illinois.

I wish to assure that Senator SIMON is fully listed as a sponsor of this amendment.

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

Mr. CHAFEE. Mr. President, is there a time agreement on this amendment?

The PRESIDING OFFICER. Ten minutes on either side.

Mr. CHAFEE. On both sides?

The PRESIDING OFFICER. Ten minutes on each side, 20 minutes equally divided.

Mr. CHAFEE. I have a question of the Senator from Florida. Is there any cost estimate on this?

The PRESIDING OFFICER. I remind the Senator from Rhode Island, questions are to be addressed through the Chair.

Mr. CHAFEE. I would ask the Chair——

The PRESIDING OFFICER. Or if the Senator from Rhode Island wishes unanimous consent to engage in colloguy with the Senator from Florida.

The Senator from Florida.

Mr. GRAHAM. The estimate is that over the 5 years the total cost is $600 million.

The PRESIDING OFFICER. Does the Senator from Florida yield time to the Senator from Illinois?

Mr. GRAHAM. I yield time to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Florida has 5 minutes and 46 seconds remaining.

The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I shall use less than 2 minutes.

I would like to have the attention of my fellow colleagues who are here. What this amendment does is simply says let us make this prospective. Let us apply it in the future. Let us not take people who have agreed to sponsor people for 3 years and all of a sudden we are going to say sorry, this contract is for 5 years. And to take people who are in a college situation, who are going to become citizens, and say sorry, you are going to have to leave school, I do not think that makes sense.

I hope that the distinguished Senator from Rhode Island and the distinguished Senator from Kansas might consider accepting this amendment. I think it does make sense to do this prospectively, not retroactively.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I ask if the proponents of the measure—we have gotten the cost of it—if they have an offset, any way of paying for it?

Mr. GRAHAM. We do not have an offset.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Rhode Island yield time to the Senator from Wyoming?

Mr. CHAFEE. Yes. Such time as he needs.

Mr. SIMPSON. I think 5 minutes would be adequate.

Mr. President, again, this is one of those areas of dealing with immigration and welfare and deeming provisions. Let us understand what deeming is. The sponsor brings you here to the United States, and his or her income is deemed to be yours. You as a sponsor are responsible for this person coming to the United States, for their assistance, their welfare. And you cannot come to the United States at any time if you are going to be a public charge. At any time you become a public charge while you are still in this category, you do not come on as a naturalized citizen. You must be self-sustaining. That has been the law since 1882.

So, again, we are at one of these impasses where I am surprised some of these have been successful. This is an ancient ritual. It is about people who say we want to do something about legal immigration, we want to do something about illegal immigration, and we want to do something about people who misuse the systems. But we do not.

Now, in the last Congress, we increased the deeming period for SSI to 5 years. We did that. We already did that. In his proposal—I hope you all hear this—President Bill Clinton in his proposed welfare reform bill raised the deeming period for AFDC and food stamps to 5 years. This President, President Clinton, has agreed that this is what we should do. That is what the Dole bill quite logically and properly then does. It sets a deeming period on all welfare programs at 5 years, in accordance with the directive and the wishes of the Justice Department and the President of the United States.

Please remember that the folks that are affected by this amendment were admitted as immigrants only—only—after they and their sponsors promised—promised—that they would not become dependent on public assistance at any time, period, not just for 5 years, but for any time.

Now, under this amendment, they would be permitted to access the public welfare systems of the United States after only as few as 3 years in the United States of America. The sponsor

would be off the hook, relieved of his promise of support, and the taxpayers would take over.

I think that is basically very wrong. I guess to paraphrase the words of Gertrude Stein: A sponsor is a sponsor is a sponsor. If you do not want to take care of someone when you bring them to the United States, do not sponsor them. If you bring them in as an immigrant, you have to. That is why people have misused the refugee programs. If you come here as a refugee, the Government takes care of all of it. So we have people coming here as refugees who do not qualify in any way as refugees.

We have presumptive refugees in certain areas of the world who wait 1½ years to come here after they have been designated as a presumptive refugee. You talk about gimmickry of the system. I have been at this game for 16 years, and there is plenty of it. And this amendment would cost $623 million over 7 years.

I want to say, too, that the students who the Senator has expressed concern for are sponsored immigrants who have been in the United States for less than 5 years. They are persons now seeking public assistance for college education who have a sponsor who promised, in order to get that immigrant admitted, to provide whatever assistance the immigrant might require in order to avoid becoming a public charge.

That is where we are. It is not pleasant in any way to continually year after year stand here and try to present the issues as they really are without being described as mean spirited, pinched, riven, uncaring.

That is not what we are talking about. We are talking about often people with a grand design of how to gimmick the systems. And if you really are watching, keeping your eye on the rabbit, this is not in any way helpful to the welfare system or to the immigration laws of the United States.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, first, the question was asked do we have an offset? I answered we do not have an offset. We adopted other amendments here which create new entitlements, new benefits, new tax preferences without requiring an offset. This is the law today. What we are attempting to do is to retain the law today for those people who came here with the state of the law as it is. We are not trying to change the rules.

We are trying to say, if these people came here with certain statements as to what their obligations would be, if the sponsor has entered into commitments with certain expectations as to what their obligations would be, we should keep those for those people who are in the country today. We are not proposing to make this an ongoing new standard. If you want to change the rules, we can change the rules and make it applicable to those who come after the rules are changed.

Mr. President, this is not a particularly popular issue because, among other things, we are dealing with a small group of people. But we are dealing with people who embody what we as Americans most applaud—people who desire freedom, independence, who want to be like us. People who are the target of this amendment are trying to improve themselves so they can be even better Americans.

I think it is both shortsighted and unfair to change the rules on these people and deny them, among other things, the opportunity to get that education that is going to make them a more productive citizen. These people will repay in their lifetime much more than the $600 million that this amendment calls for to continue to do for the next 5 years for these people what we have provided for them in the past and what we have considered to be in America's best interest. It was then. It is now. And at least it will be for this current group of legal aliens who are in our country, particularly those who are utilizing the opportunities to extend their education.

Let me yield to the Senator from Illinois.

Mr. SIMON. I thank my colleague.

Let me tell you what it does. JOHN MCCAIN sponsors an immigrant named ALAN SIMPSON. And JOHN MCCAIN agrees he is going to be responsible for 3 years. All of a sudden we have an amendment here that says, ''Sorry, JOHN MCCAIN. We have changed the law. You signed up for 3 years. We are going to make you responsible for 5 years.''

Second, it is true, as Senator SIMPSON says, that if you take these young people out of college—some maybe are not young—that temporarily we are going to save money. But we know from all the statistics that, if you let them stay in college, they are going to be more productive, pay taxes, and do more for our country and make ours a more productive country.

I think the amendment is a good amendment, and I hope we will have the good sense to adopt it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes 21 seconds. The Senator from Florida has 1 minute 5 seconds.

Mr. GRAHAM. Mr. President, I reserve my 1 minute 5 seconds.

The PRESIDING OFFICER. Does the Senator from Rhode Island seek recognition?

Mr. CHAFEE. Mr. President, I yield the remainder of my time to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I have not much time left. I just want to say again that when a sponsor gives an affidavit of support—if we are talking about the things cherished in America, let us talk about keeping a promise. That would be a good place to start.

When a sponsor agrees to bring in an immigrant, they agree that that person will not become a public charge. Not just for 5 years or 3 years, but the law says at any time. That is what the law says. I did not invent it. It came on the books in 1882. It says at any time, not just 5 years, not just 3. It does not matter what was thought to be agreed to, the sponsor is deemed to have their assets considered the assets of the immigrant for a period of any time, and that is the law of the United States and a contract or an obligation to do that——

Mr. GRAHAM. Will the Senator from Wyoming yield?

Mr. SIMPSON. Yes.

Mr. GRAHAM. If that is the law, why do we need to change it? The statement that you have is that there are set periods of time in which a sponsor's resources are deemed to be part of the sponsor-legal immigrant's economic status. Those have been the law. If you are saying those were meaningless, in fact the 3-year periods we used to have in the past were inapplicable then, why do we need to change the law now?

Mr. SIMPSON. Mr. President, in the last Congress, we increased the deeming period for SSI to 5 years. The President of the United States, in his welfare reform package, revised the deeming period for AFDC and food stamps to 5 years. We are trying to follow the President of the United States and his viewpoint.

Then you wonder where the support is coming from. I can tell you where it is coming from: A small cadre of educational institutions. That is where it is coming from. We are not going to injure them in the process.

We are just saying that a sponsor's promise is a sponsor's promise. I have been in these things for years. I am not the expert in any way. I would not even indicate that. But I do know what interest groups are when you deal with immigration. They come out of the woodwork. They are all out here right now, I suppose. There will be cadres of them. But one of them here is the group of educational institutions who see this, if this can get done, as tuition money, paid for.

We have Pell grants, we have all sorts of things. We do take care of people in society. No one should miss the fact we are going to vote on a debt limit of $5 trillion in a few weeks, and Medicare will be broke and Social Security will be broke in the year 2031 and will go broke and start its decline, its swan song in 2013, and we will not even deal with that on the floor of the U.S. Senate, either party.

Talk about obligations. And then just trot up $623 million and no place to get it. That is my humble viewpoint of this pointed issue.

The PRESIDING OFFICER. The Senator from Florida has 1 minute 5 seconds. The Senator from Rhode Island has 24 seconds remaining.

Mr. GRAHAM. Mr. President, I think the issue here is fairly simple. We have had rules under which people have guided their lives as it relates to the status of sponsors and legal immigrants, people who are in this country

playing by the rules, trying to prepare themselves to become self-sufficient, contributing Americans.

They are doing the heinous thing to continue their education: They are attending a vocational school; they are attending a community college. I think that is an activity that we should not say is just a matter of some interest group. Would you say the GI bill was just an interest group of a few college and university administrators? Of course not. It was a great program, it is a great program that has benefited this country manyfold.

That is what the issue is in this amendment. I believe that we ought to say to these people, as part of their learning about America, that we play by the rules that were established when the game started. For you, we are going to complete the rules. If you want to change the rules for those in the future, that is perfectly permissible. I believe we should adopt this amendment as both an immediate and long-term contribution to a better America. Thank you.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Wyoming has 24 seconds remaining.

Mr. SIMPSON. Mr. President, again, the affidavit of support may be for 3 years. But the overriding understanding of the American people is that the immigrant will not become a burden upon the taxpayers or the public. That is the issue. There is no other issue, especially not in his or her first 5 years here. It never would have been allowed to take place if they knew they were going to access the public support systems in the first 3 years of their presence here. That is what this is about. That was the real condition of admission. We are forgetting something here.

The PRESIDING OFFICER. All time has expired. Under a previous agreement, the vote will be stacked until tomorrow morning.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 2468

Mr. SIMON. Mr. President, I do not know if we have an agreed-upon order, but I have an amendment I will be happy to discuss briefly.

I offer this amendment in behalf of Senator BROWN, Senator Reid and myself.

The PRESIDING OFFICER. The clerk will report.

Mr. SIMON. This is a modification. Let me offer it as a modification of amendment No. 2468.

Mr. President, I ask unanimous consent to modify amendment No. 2468.

If I may say to my colleague from Mississippi, what I am doing is instead of having this a setaside—this is the community WPA Program—I am making it an authorization so that I think it may be acceptable. We have passed this as an authorization by voice vote. Senator BOREN was the sponsor about a year ago.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. LOTT. Reserving the right to object, and I hope not to, Mr. President, but if I could address this question to the Senator from Illinois, has this been discussed or cleared, to his knowledge, with the managers?

Mr. SIMON. I have not had a chance. Senator BROWN indicated to me—I mentioned to him and to Senator REID that I was going to change it to an authorization because, frankly, the word was, as a setaside, it could be opposed on your side, but as an authorization, it might be approved. So that is the reason. I, frankly, have not had a chance to discuss it with the managers of the bill.

Mr. LOTT. Mr. President, has this been discussed with and cleared with the Senator's cosponsors, for instance, the Senator from Colorado, Senator BROWN?

Mr. SIMON. I discussed this with the Senator from Nevada and the Senator from Colorado, both of whom strongly support it. I might add that we had cosponsors of this, as independent legislation, from your side as well, and it was adopted by voice vote here earlier—not this session, but an earlier session—as part of a larger bill which was vetoed but had nothing to do with this.

Mr. LOTT. Mr. President, one final question, if I could. We do have a copy of the modified language?

Mr. SIMON. I have it at the desk. It just simply changes it from being a setaside to an authorization. Otherwise, there is no change.

Mr. LOTT. I wonder, Mr. President, if I can suggest to the Senator from Illinois, we have not had a chance to take a look at the legislation. As the Senator knows, some of the staff has already left. I wonder if it would be permissible, under the agreement we have, to wait and modify this in the morning. I feel like probably there will be no problem getting an agreement. As the Senator knows, I am filling in here, too. The Senator from Illinois can discuss the modification in the morning under the time agreement agreed to.

Mr. SIMON. That is perfectly satisfactory to me.

Mr. LOTT. I think what he has done is improved the prospects, and probably there will be no problem. At this time, without the managers here and without the staff directly involved not here, we would like to have a chance to look at it.

Mr. SIMON. The Senator's request is to withhold the request to modify?

Mr. LOTT. Right.

Mr. SIMON. OK. I will do that. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NO. 2568

Mr. GRAHAM. Mr. President, I call up amendment No. 2568. It is one of the amendments under the unanimous consent agreement.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 2568.

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

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I do not wish to belabor this issue, because it is really an offshoot issue we debated at some length yesterday and the day before yesterday which related to the fact that there are very extreme differences in the amount of Federal resources that the 50 States will receive under this legislation.

I introduced two amendments in an attempt to deal with that disparity. One of those amendments has been accepted and will be included in the managers amendment. That was what I called the ''embarrassment'' amendment.

In this bill, there is a provision which states that there will be a periodic or annual evaluation of how the individual States are performing under this bill, how well they are doing in terms of achieving its objectives, particularly in getting people off of welfare and into work.

I would compare that standard to a series of football teams, some of whom are made up of professionals and others are junior high school players, because that is about the way in which the 50 States are being equipped to carry out these responsibilities.

In the case of the assistant majority leader, his State is going to have to spend 88 percent of all of its Federal money just to meet the mandates in this bill. There are other States that can meet the mandates with less than 40 percent of the Federal money.

So the first amendment, which, as I indicated, has been accepted for inclusion in a managers' amendment, will simply say that when we go through this embarrassment test of how well you have done, part of that evaluation will be: How many resources did the State have? We are not going to ask the State that has one-tenth the resources of another to necessarily perform at the same level. We are not going to subject that State to the ridicule of its inability to reach the same level of accomplishment.

This is another amendment in the same spirit. We have in this bill a series of national work participation rates. For instance, for a family receiving assistance under this, where there

is a single adult in the family, we are expecting 25 percent participation in 1996, up to 50 percent participation by the year 2000.

Again, I think it is unrealistic and unfair to expect the same standard of achievement for all States, given the fact that the resources available are unequal. So I provide in this amendment that the Secretary of Health and Human Services, after consultation with the States, shall establish specific work participation rate goals for each State, adjusting the national participation rate goals to reflect the level of Federal funds the State is receiving under this program and the average number of minor children in the families having income below the poverty line for that particular State.

This will mean that we will set the goalposts consistent with how much money we are prepared to make available to that State. Those States that are going to be richly endowed under this program will have a long goalpost to meet. Those that are more limited in their participation will have a less demanding standard. That seems to me to be imminently fair and reasonable in terms of what we are going to be providing to the States to accomplish the objectives of this act.

Mr. President, that is the amendment. I urge its adoption. I think it will be an amendment that the Senators who are on the floor today, who represent some of that diversity, would be very receptive to, and possibly even willing to accept.

Thank you, Mr. President.

The PRESIDING OFFICER. Is there further debate?

Mr. LOTT. Mr. President, I think this issue has been discussed, as the Senator pointed out, at great length. I do not think there is going to be an inclination to just accept it. But this will be resolved tomorrow. How much time do we have on our side?

The PRESIDING OFFICER. There is no time agreement on the amendment.

Mr. LOTT. Mr. President, I am prepared to move to close, unless there is any other Senator who wishes to speak at this point.

Mr. GRAHAM. Mr. President, in order to protect our interest, I would like to ask for the yeas and nays on this amendment, indicating that if we can arrive at an amiable resolution of this, I would be prepared tomorrow to ask to vitiate the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KEMPTHORNE. Mr. President, after months of diligent work, the Senate is, at long last, debating the issue of welfare reform. This debate is simultaneously timely and long overdue. It is timely because so much attention has been focused on this issue for the last several months, and, in fact, for many months prior to the start of the 104th Congress. Members and staff have spent a vast number of hours reviewing concepts in welfare reform and developing legislation to meet our goals. Their work has lead to many well thought out proposals which are only now ready for full and vigorous debate on the Senate floor. It is overdue, however, because we have known for years that the welfare system in this country was flawed, and yet the status quo was maintained. We must act now to make the necessary changes, because we dare not look back on this time and tell our children we failed to take action when we had the opportunity.

As I was preparing for this debate, I became curious about the history of the word welfare. Upon looking it up, I was interested to note it comes from the Old English phrase ''wel faran,'' which means, quite simply to go, or to fare, well. While it sounds like the word has changed little from its earlier days, in reality the difference between the Old English phrase and the modern word is dramatic. Most notably, under our current public assistance programs, Mr. President, no one is faring well.

In our society, three groups of people are more directly impacted by welfare than any others—the beneficiaries, the tax payers, and the case workers. Obviously, the beneficiaries themselves are the most immediately affected by our current system. And what has this system done for them? Generations have grown up without knowing the satisfaction of work and personal improvement. The value of family has been ignored, aiding the increasing rate of illegitimacy. And possibly worst of all, children have been raised without hope in a system that does more to perpetuate poverty than to break the welfare cycle. Obviously, some people have been able to get ahead and get off welfare. But for far too many, the system offers no incentives and no promise of a better future. Can anyone argue that these are positive results? I firmly believe we should avoid the attitude that this Nation owes people something simply because they reside inside our borders. But I do believe we owe those in need the chance to reach above their situations—a chance which the current system denies.

The taxpayers certainly should not be ignored in this debate. What the taxpayers of Idaho have been telling me is that they want to help those who truly are in need, but simply giving money away is not an answer. They also do not want a system which is open to fraud and abuse. Earlier this year, one of my constituents, Linda Murray–Donahue of Boise, cited a particularly glaring example of how the system was being abused. More significant than the example she sent were her comments. After noting her own difficulties in trying to raise two children after being laid off, she stated,

> I am disturbed at the prospect of continuing to struggle for my boys and continue to make them sacrifice so that [welfare abusers] do not have to take responsibility for their own lives. . . I and others do not begrudge the truly needy. However, the [welfare abusers] need to be put on notice that we are demanding changes in their welfare way of life.

I believe this is an accurate representation of an attitude found throughout the Nation. People are not looking at welfare reform as a way to attack the unfortunate. Instead, they simply want to ensure that the truly needy are helped while those who can provide for themselves do so. In the process, they also want to know that their tax dollars are being used wisely and efficiently.

In between the taxpayer and the beneficiary are the case workers and social workers. They too are frustrated by a system which they see thwarting their efforts to truly help people. While they work diligently to move families into work and a lifestyle of self-sufficiency, too many of their efforts are focused on verifying eligibility. Even when they are able to help someone begin the transition from welfare to work, all too often they are stymied by a system which discourages people from trying to break the cycle of poverty. We owe it to the dedicated case workers and social workers to let them work under a system which will help, rather than hinder, as they try to give welfare recipients a chance to improve their situations.

In this regard, Idaho has already taken an active approach to welfare reform. Earlier this year, several members of the Department of Social Work at Boise State University released a report entitled, ''Family Self Sufficiency: Welfare Reform in Idaho.'' I think many of the points which were made in that report are important to share with my colleagues. With regard to the state of affairs today, the report is clear, ''The current strategy of alleviating poverty through unconditional grants-in-aid has failed because it fosters dependency, weakens self-reliance, lowers attachment to work, and excludes the poor from the participation in the labor market.'' The report sums up the major problem with our welfare programs quite simply, ''[T]he system does not equip recipients with the means to leave poverty.''

The introduction to that report, I believe, quite accurately describes the situation we now face, and the direction in which it may be best addressed. I would like to quote that portion of the report.

> Welfare should be a ''hand up'' and not a ''hand out.'' Programs that do not stress self sufficiency erode the work ethic. Policies that reduce the incentives for the maintenance of families break them up. Programs that do not encourage participation in the economy through training and education go against the fabric of America's belief system. At the same time, punitive programs diminish hope, hurt children, and foster long term poverty.
>
> Welfare is not a right or an entitlement, it is an investment. The traditional generosity of the American people toward the poor and those who find themselves in difficult situations is sorely tested when welfare programs make no progress in either lifting clients out

of poverty or of reinforcing self-reliance. The benefits the public accords the poor, the destitute, the homeless, and the sick grow out of a democratic commitment to social justice, equal opportunity, and a belief that we as Americans are in this together.

Any welfare reform effort we undertake must reinforce these principles. Welfare is an investment in people that ideally benefits the recipient and society. In exchange for benefits, able-bodied clients must take steps in partnership with the state to lift themselves to self-support. And despite myths to the contrary, the poor do work hard and welfare recipients want to find jobs.

In Idaho, Governor Batt has already begun to move ahead with efforts to address exactly the kind of reforms mentioned in the report I just mentioned. He has assembled a welfare reform advisory council—composed of legislators, community leaders, private citizens, and other key decision-makers. In the Executive Order which established the advisory council, Governor Batt noted,

''the current welfare system fails to foster fundamental values relating to work, family, personal responsibility, and self-sufficiency.'' The order went on to state, ''the current welfare system isolates recipients from the economic and social mainstream and maintains families at below poverty levels with only limited support or incentives to become independent of welfare assistance. . . [it] focuses on writing checks and verifying circumstances rather than helping people move rapidly to work.''

The Governor's advisory council has now met with Idahoans throughout the state to hear the people's thoughts on welfare reform. In addition, it has solicited further public comment in newspaper advertisements all across Idaho. This information will be used to develop a welfare reform plan which is specific to Idaho's needs. Mr. President, the State of Idaho is prepared to take on the challenge of welfare reform, and has demonstrated the willingness to address the difficult issues which this endeavor encompasses. We should give them that opportunity.

Idaho has specific concerns which it wants to address, concerns which in many cases are the same as those we have been discussing on a national level over the last few months. While these issues may be similar across the country, ideas for dealing with them are not. That is why we must let go of Federal control. As long as we continue the Federal strings, states will not have the needed flexibility to truly address their needs. They also will not have the flexibility to try innovative proposals which could serve as examples to other states about what approaches will lead to a truly productive welfare system.

Mr. President, in my very first speech here on the floor of the U.S. Senate, I spoke about the need for States to be given the opportunity to develop their own solutions to specific problems. At the time, I said, ''I believe that we need to encourage innovation. The lessons we will learn from these different States, as they undertake these significant approaches, will be invaluable to us, both in learning what does work, and also in learning what does not work. . . We need to support those States that are willing to actively seek solutions.'' While that speech was in reference to Oregon's request for a Medicaid waiver, I believe it is just as applicable today. True reforms will come from the States, and we must give them the opportunity to prove they are up to the task of changing, for the better, our current system of welfare.

The bill we are currently considering takes tremendous strides toward achieving our goals. First and foremost, it ''block grants'' many Federal welfare programs—including Aid to Families with Dependent Children, job training programs and child care programs. It also provides states with the option to accept Food Stamp funds as a block grant. This is the basis of real reform. Turning these programs over to the States will provide people with the chance to shape poverty-assistance programs to meet local needs. As a former mayor, and as the author of the Unfunded Mandates Reform Act, S. 1, which was signed into law earlier this year, I understand the frustrations and hassles which accompany Federal requirements. By eliminating these mandates, we allow State and local officials to use their own creativity and their intimate knowledge of the people's needs to address their problems. And we do not make them go through a series of bureaucratic hoops in order to get a waiver to do so.

Some have claimed the States cannot handle this responsibility. They claim State and local officials will, without strict Federal oversight, eliminate poverty assistance and turn their backs on the poor and needy. Mr. President, I do not understand how anyone could truly believe that argument. Do the naysayers really believe that State and local officials are cold, heartless individuals who would gleefully deny food to the hungry and let children suffer? Do they also believe that upon being elected to the Congress we all undergo some miraculous transformation which makes every member of this body more compassionate and knowledgeable than our State and local counterparts? The mere idea is ridiculous. Local and State officials are the ones who are in the best position to see what their programs do to people. They are the ones whose friends and neighbors are directly impacted as a result of their actions. And if they make a mistake, if they do something the people do not like, they are more directly and immediately responsible for that decision than anyone here in Washington. That, I would say to my colleagues, is a better guarantee that local needs will be met than any number of Federal rules, requirements or regulations.

In contrast, the bill presented by the Democrat leadership, which was rejected by this body, would have continued that vaunted tradition of ''Washington knows best.'' It would not have offered flexibility to the States, thus preventing innovation and creativity at the State and local level. It would have continued the entitlement status of welfare programs, preventing the States from requiring anything in return for welfare dollars. It would have kept the Federal bureaucracy firmly entrenched in the welfare system, a system which, under Federal control, has failed those it is alleged to serve. Finally, the bill would have allowed numerous exemptions to the so-called work requirements, in effect nullifying the requirements and making it easier to maintain the status quo.

Mr. President, I believe the welfare reform debate is about one word—freedom. It is the freedom of State and local governments to decide how best to provide assistance to the needy. It is the freedom of the various levels of government to create innovative ways to meet the unique needs of the downtrodden in their city, county or State. It is the freedom to follow local customs and values rather than Federal mandates. I have said for some time that when the Government tries to establish a one-size-fits-all, cookie cutter approach to address a perceived need, it ignores the unique circumstances which are so important in developing the best way to address that need. The legislation presented by the Republican leadership recognizes this fact.

The difficulties associated with the Federal approach to problem solving are especially evident in rural States, like my home state of Idaho. The kind of help which people in rural communities may need differs dramatically from the kind of assistance an individual in New York, or Miami, or Los Angeles may need. In order to address those needs, States must have flexibility. A program which is designed to help families who live in our major metropolitan areas, quite simply, will not work in Wallace, Idaho—a community with less than 2,000 people. It may not even work in Boise, which is Idaho's largest city. The reverse is also true. A program which is capable of helping folks in a State like Idaho—which has a population density of just over 12 people per square mile—is likely to have little relevance in Detroit or Boston. Mr. President, I do not want anyone in this country who is struggling to make something of themselves, whether they are from Idaho, or Minnesota, or Arizona, or North Carolina, to be hampered in their efforts because of rules and regulations which ignore the fact that this Nation is not uniform—that people in all areas of the country have unique circumstances which simply cannot be addressed in one prescriptive Federal package.

Mr. President, I stated earlier that welfare reform is about freedom for the States. More importantly, it is about freedom for the people. For too long now we have witnessed a vicious cycle of poverty in this Nation which, once entered, is nearly impossible to escape. We have a system of welfare which does

not focus on getting and keeping people off the Federal rolls, but instead appears to be based on the belief that once one has become a part of the system, they will never again desire to become self-sufficient. I do not believe this is true. I believe most welfare recipients, if given the opportunity, would gladly find a way to end their dependence on the Government. It is with these people in mind that we must complete our work on welfare reform legislation, so we may give current and future welfare recipeients the freedom to break out of poverty.

Mr. President, I have listened to many of my colleagues share their thoughts on the legislation we are now considering. As could be expected, the bill does not have unanimous support. Some think it has too many strings on the block grants, other say not enough. Some believe even more programs should be block granted. Regardless of whether or not any particular amendments were added to the bill, however, I ask my colleagues to keep in mind the long-term implications of what we are trying to do. I would ask them to ask themselves one simple question, ''Does this bill get us closer to our goals then we would be if we did nothing?'' If the answer is yes, and I believe it is, I would urge them to support the leadership package. In doing this, we can finally break the cycle of poverty which has gripped too many Americans, and help them get back on their feet. And in so doing, we will help all Americans.

In closing, in considering welfare reform I think we would be wise to heed the words of one of this nation's greatest leaders, President Abraham Lincoln. It was Lincoln who once said,

> The legitimate object of government, is to do for a community of people, whatever they need to have done, but can not do, at all, or can not, so well do, for themselves—in their separate, and individual capacities. In all that the people can individually do as well for themselves, government ought not interfere.

Mr. President, I believe this applies equally well to the relationship between the States and the Federal Government. The Federal Government should not attempt to do for the States what the States are capable of doing for themselves and for their residents. We have tried to do so for the last 30 years, and we have not succeeded. It is time we let the States decide how to meet the needs of the less fortunate, using State and local solutions. If we do this, we grant the States a level of freedom they have not had in years, and we move one step closer toward giving welfare recipients hope that they too may soon be free of a system which has perpetuated poverty and social decline. And freedom, I would say to my colleagues, is what this Government is supposed to be about.

I thank the chair and the managers of the bill for their courtesy, and I yield the floor.

THE CHILD ABUSE PREVENTION AND TREATMENT ACT AMENDMENTS OF 1995

Mr. COATS. Mr. President, child abuse is a critical issue facing our Nation. Each year, close to one million children are abused or neglected and, as a result, in need of assistance and out of home care. CAPTA is a small but vital link in the provision of these services.

S. 919, which has been included in the Dole welfare reform bill, streamlines CAPTA's State plan and reporting requirements; eliminates unnecessary research and technical assistance activities; and encourages local innovation through a restructured demonstration program.

Additionally, we have consolidated the Child Abuse Community Based Prevention Grants, Family Resource Centers, Family Support Centers into the Community-Based Family Resource and Support Grants.

Finally, S. 919 repeals the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act, title VII (F) of the McKinney Homeless Assistance Act, and the Emergency Child Abuse Prevention Grants.

Mr. President, each day, hundreds of children and families come into contact with, and are affected by, our Nation's child protective system. For many, it is a frightening experience. For others—for those on the front lines, it is sometimes an opportunity to rescue children from horrific circumstances.

Unfortunately, the issues facing this overburdened system are seldom easily resolved. Too often—overworked, underpaid, untrained, and sometimes overzealous caseworkers have a tremendous and devastating impact on families.

Decisions are routinely made to remove children and place them in foster care—into situations that are sometimes far worse than from where they came. Other times, because of mounting paperwork and case files, a serious case goes uninvestigated—or a decision to return a child to an unsafe home is made because there are no more out-of-home placements available. These are all difficult circumstances that require balance, training, and resources.

Since 1974, CAPTA, though a relatively small program, has assisted States in meeting child protection needs. It is a small, but powerful program, because its mandates have radically changed how we view child protection.

Unfortunately, not all of these changes have been helpful. CAPTA has, until now, been viewed as a very prescriptive program, with States judged, not on how well they protect children, but how close they come to mirroring some Federal definition or example of how things ought to be.

The 1995 CAPTA amendments are an important first step aimed at redressing some of the problems in CAPTA while, at the same time, building upon its strengths. Most experts agree that what CAPTA can do and do best is provide guidance to States; assist States with training and technical assistance; and promote better research and dissemination of information while allowing for maximum flexibility in approach and response.

S. 919, as unanimously reported out by the Labor Committee and included in the Dole bill, builds on those strengths. Specifically, this legislation:

Eliminates unnecessary bureaucracy by repealing mandates for a National Center on Child Abuse and Neglect, the U.S. Advisory Board, and the Interagency Task Force on Child Abuse. Instead, the Secretary may use her discretion in deciding whether or not they are an essential function;

Restructures and consolidates various research functions into one coordinated effort;

Places a significant emphasis on local experimentation by expanding Demonstration Grants to encourage local innovation and experimentation. One of these grants would be available for a triage system approach which Labor Committee members heard very exciting reports about during a subcommittee hearing. Others include training for mandatory reporters, families, service providers, and communities;

And reforms the Basic State Grants by allowing greater flexibility to the States in determining the circumstances and intensity of intervention that is required, while encouraging them to look to other preventative services that can be provided to families, when intensive intervention is not called for.

Determining the appropriate level of intervention is a very important consideration. We have studied closely the numbers of abuse and neglect reports that have been filed. Of the close to 3 million reports that have been filed, only one-third are eventually substantiated. This means that over 2 million are either unsubstantiated or even false. And while I know that these numbers and how they are interpreted are the source of some disagreement, the fact remains that for whatever reason, over 2 million investigations at some level, are occurring, and possibly resulting in inappropriate interventions—including removal of the child from the home.

Members of the Labor Committee may recall the testimony of Jim Wade who spoke of his 3-year ordeal, in which his daughter was wrongfully removed from his home. I have received many such reports and complaints, and while we should be mindful not to legislate by anecdote, these stories involve real people and are chilling.

With the State grant, we have worked to find ways to improve reporting so that caseworkers are able to assess and effectively respond to cases of abuse and neglect with an appropriate response.

We have also ensured that persons who maliciously file reports of abuse or

neglect will no longer be protected by CAPTA's immunity for reporting. Only good-faith reports will be protected.

Finally, we have clarified the definition of child abuse or neglect to provide additional guidance and assistance to States as they endeavor to protect children from abuse and neglect.

Let me briefly mention the other programs authorized in the 1995 CAPTA amendments: the new Community-Based Family Resource and Support Grants represent the result of nearly a full year's effort to consolidate the Community Based Prevention Grant, Respite Care Program, and Family Resource Programs; the Family Violence Prevention and Services Act which provides assistance to States primarily for shelters; the Adoption Opportunities Act which supports aggressive efforts to strengthen the capacity of States to find permanent homes for children with special needs; the Abandoned Infants Assistance Act which provides for the needs of children who are abandoned, especially those with AIDS; the Children's Justice Act; the Missing Children's Assistance Act and section 214 of the Victims of Child Abuse Act.

Mr. President, I would like to thank the members for their attention. These are important programs and they will affect many children and families. I urge the adoption of the 1995 CAPTA amendments.

STUDENT AID

Mr. MACK. Mr. President, with regard to title V of H.R. 4, the Work Opportunity Act, I am interested in clarifying an issue regarding the applicability of the term ''assistance * * * for which eligibility is based on need'' to various student loan programs. As I understand this legislation, eligibility for needs-based public assistance will either be subject to a deeming period or will be forbidden for a period of five years for most non-citizens. At this time, there seems to be an erroneous public perception that all student financial aid programs will be subject to these provisions. This is not the case. In the interests of responsible legislating, I think it is important to clarify that unsubsidized student loans are not needs-based and should therefore not be subject to the requirements of title V.

Mr. SIMPSON. Mr. President, Senator MACK is correct. Although the term ''assistance * * * for which eligibility is based on need'' in title V of H.R. 4 would apply to most forms of student financial aid, the unsubsidized student loan program is indeed a financial aid program which is not based upon need. Therefore, this particular program would not be subject to the deeming period or 5-year ban established in title V of this bill.

Mr. DOLE. Mr. President, I would like to offer my support of the comments made by Senators MACK and SIMPSON on this issue.

CHILDREN'S SSI

Mr. CONRAD. Mr. President, I have a series of clarifications concerning the children's SSI program that I would like to discuss with the majority leader.

But first, let me express my appreciation to Senator DOLE for his leadership in helping us reach a compromise on this issue. The SSI agreement is not everything I had hoped to achieve when Senator CHAFEE and I introduced the Children's SSI Eligibility Reform Act, but it is clearly an improvement over the House bill.

In addition, I believe the agreement includes a number of extremely important provisions to both address criticisms that have been leveled against the Children's SSI program and protect children with severe disabilities. I am extremely pleased we were able to reach a bipartisan compromise on this issue, and thank Senator DOLE, Senator SANTORUM, Senator DASCHLE, Senator CHAFEE, Senator SIMPSON, Senator JEFFORDS, and others who were so deeply involved.

Mr. President, I would like to clarify for the RECORD the intent surrounding several of the provisions in the amendment. First, the amendment deletes the word ''pervasive'' from the definition of child disability that was included in the welfare reform bill reported in May by the Finance Committee. This is an important change, and one that I fully support. Would the majority leader clarify his understanding of the intent of this change?

Mr. DOLE. I want to thank the Senator from North Dakota for his leadership and hard work on this issue. Children with disabilities are certainly among those most at risk in our society, and we want to make sure we are doing the right thing by them. He and Senator CHAFEE have worked extremely hard to bring the Senate to this point.

As for the Senator's question, I understand that the Senator from North Dakota was concerned that the term ''pervasive'' included in the earlier definition implied some degree of impairment in almost all areas of a child's functioning or body systems. That was not the intent of the earlier proposed change to the statute. It is expected that the children's SSI program will serve children with severe disabilities. Sometimes children will have multiple impairments; sometimes they will not.

Mr. CONRAD. I also understand that the amendment is designed to facilitate expert analysis of the SSI program for children by the National Academy of Science, to ensure that program changes, including determination of disability, are based on the best possible science.

Mr. DOLE. Yes, I think we can all agree that the children's SSI needs a tune up. The provision for a study by the National Academy of Sciences of the disability determination procedures used by the Social Security Administration will help accomplish this goal, and help us obtain a realistic picture of how an impairment affects each child's abilities.

No doubt about it, the children's SSI program is extremely important for some children with disabilities. But as the Senator from North Dakota made mention, there have been widespread allegations that some children on SSI are not truly disabled, or money is spent in ways that do not benefit the child. I hope this study—in addition to the changes we have made in the law—will help restore confidence in this program.

Again, it is my expectation that this program will continue to serve children with severe disabilities, and that includes properly evaluating children too young to test, children with multiple impairments, and children with rare or unlisted impairments which nevertheless result in marked and severe functional limitations.

Mr. CONRAD. Is it expected that the Social Security Administration and the Congress will rely heavily on the expert advice of the National Academy of Science when engaging in future regulatory activity and deliberations regarding impairments of children in the SSI program?

Mr. DOLE. Yes. But I also hope we hear from many others as well with good information to offer, including other experts, parents, and advocates.

Mr. CHAFEE. If I might also ask the majority leader a question. The leadership amendment and the Finance Committee proposal are both silent about the purpose of children's SSI. However, unlike the House proposal, both retain the cash benefit nature of the program. This is a concept that Senator CONRAD and I thought was extremely important when we introduced the Childhood SSI Eligibility Reform Act, and I am pleased that the majority leader's proposal retains flexibility within the SSI program by retaining the cash nature of the program. It is important for the SSI program to reflect the impact a disability has on families faced with a variety of circumstances. SSI often provides important assistance to families by replacing a portion of the income that is lost when a parent must care for a disabled child. The flexible nature of SSI is indispensable for many parents who are rendered unable to work because they must stay at home to provide care and supervision to their children with disabilities. Does the majority leader share our assessment?

Mr. DOLE. No doubt about it, for some families with a severely disabled child, SSI can be a lifesaver. It allows them to care for their child at home—who might otherwise be institutionalized at much greater cost to the government—or obtain services they could not otherwise afford. If a small payment can help a disabled child stay with his family, or grow into a productive adult, it is better for the child and better for society. SSI benefits provide the greatest flexibility, and the least amount of bureaucratic redtape.

But I think there may be some difference of opinion about the purpose of the program. The SSI program was originally started to provide a small cash income to individuals who cannot work because of age or disability. But the children's SSI program had a somewhat different purpose—to help poor families with the extra costs of having a child with a disability. It seems the program has expanded without much Congressional attention. In my view, we need to revisit the purpose of the SSI program. The Finance Committee has not tackled this problem yet, but it should and I believe it will. But the Senate decision to retain the cash benefit is clearly an important difference from the House.

Mr. CONRAD. I would like to join in the comments of both of my colleagues regarding the cash benefit nature of the SSI program. This provision is critically important, and I commend the Majority Leader for including it in the amendment. If I might address one additional question to the majority leader, it is the intent of this Senator and other supporters of this amendment on both sides of the aisle that this amendment is the position of the Senate, and that it will be vigorously defended in conference with the House of Representatives. Will the majority leader insist on this provision during conference with the House?

Mr. DOLE. This is a bipartisan compromise with broad support, and in my view it should be a position to which the Senate should firmly hold in conference.

Mr. CONRAD. Base on these assurances, I am pleased to support the compromise we have developed on children's SSI. This is not everything I had hoped to achieve, but it is critically important that the Senate enter conference with a solid, unified position.

Mr. WARNER. Mr. President, I am pleased to rise as one of the original cosponsors of the Republican leadership welfare reform bill.

We have entered this historic debate because the 30-year War on Poverty remains a war, but the nation is losing. According to recent analysis, aggregate government spending on welfare programs over the last 30 years has surpassed $5.4 trillion, an expenditure that exceeds our national debt.

Despite this spending, America's national poverty rate remains at about the same level as 1965, the year that President Johnson launched the War on Poverty.

Despite the best of intentions, we have a welfare system that ''traps'' children and families in a cycle of dependency, and that encourages behavior leading to indefinite reliance on welfare. It fosters a lifestyle that is in direct opposition to the motivators that propel others to get up and go to work every day.

The Republican leadership's bill emphasizes work, families and genuine hope for the future while giving the States greater responsibility—and flexibility—for managing welfare.

This measure has been a long time coming, and I do not just mean this summer. Our distinguished colleague from Colorado, Senator HANK BROWN, did an outstanding job in 1993 and 1994 as chairman of the Republican Welfare Reform Task Force. Health Care Reform diverted the Senate, but it did not diminish the value of their work. Much of what we are considering today is built directly on the strong foundation of Senator BROWN's early proposals.

I also think back to the 1986 State of the Union Address of President Ronald Reagan. That year he proposed Welfare Reform. This was another step. The Reagan welfare reform plan, the Family Security Act of 1988, was guided to enactment by the fine hand of the then Finance Committee Chairman, Senator MOYNIHAN of New York, who is now serving with such distinction as the comanager of this bill.

The Family Security Act of 1988 served as a laboratory for S. 1120. In 1988, we first dealt with the issues of workfare versus. welfare, the dilemmas of teen pregnancy and illegitimacy, the high costs of work requirements, and the need for broad federal waiver authority. It is the State and local levels of government which administer the American welfare system, not the Department of Health and Human Services.

I am proud that under the waiver authority established by the Family Security Act, the Commonwealth of Virginia has been in the vanguard of welfare reform initiatives.

While we are struggling to come together in the Senate to pass S. 1120, my State has already enacted and is now implementing what we call the Virginia Independence Program or ''VIP'' for short.

VIP is the visionary welfare reform program brought to the people of Virginia under the outstanding leadership of Gov. George Allen. It was no easy task to battle a sometimes hostile state legislature, dominated by the other political party, as well as the mountain of redtape required in securing the necessary Federal waivers. He succeeded splendidly, however, in achieving his goals, and now Virginia is in the careful, watchful, early stages of actual reform.

Governor Allen, with his great courtesy, personally journeyed to Washington on September 13 to deliver a thoughtful and, in my judgment, immensely helpful letter on what he believes the Senate should accomplish in welfare reform.

Mr. President, I ask unanimous consent that my letter from Governor Allen be printed in the RECORD at this point for the benefit of all of my colleagues.

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

COMMONWEALTH OF VIRGINIA,
OFFICE OF THE GOVERNOR,
September 13, 1995.

Hon. JOHN W. WARNER,
U.S. Senate,
Washington, DC.

DEAR JOHN, As the United States Senate continues to debate welfare reform this week, I believe that our experiences in the Commonwealth of Virginia can be instructive.

I hope you will consider Virginia's plan to be a model for the nation. The comprehensive Virginia plan is based upon the principles of the work ethnic and personal responsibility. Our experiences support the need for an overall block grant approach, that will give States the flexibility to appropriately design programs that address the individual needs of the citizens of their State, return AFDC to a program of temporary assistance for those in need, and require work for all able-bodied recipients.

I understand that there will be attempts to amend S. 1120 by attaching new chains on the block grants to the States. As a staunch proponent of federalism and self-determination, I oppose such choke chains, *whether they are ''conservative'' or ''liberal'' ones*, and respectfully encourage and request that you to do likewise for Virginians.

Experience shows that the States are perfectly capable of taking this responsibility and exercising it wisely for our citizens. Virginia's landmark welfare reform legislation is a prime example. Our plan applies to the entire AFDC caseload, with a work requirement for 48,000 of our 74,000 cases. It incorporates common-sense principles into the welfare system by rewarding responsible behavior and providing compassionate, but temporary, assistance for those in need.

In addition to providing opportunity and support to recipients, the program is expected to save the taxpayers more than $130 million over the first five years. Already, we have had a significant drop in our caseload. Restrictive maintenance-of-effort requirements rob States of the ability to share in these savings and the incentives to achieve them. They should be opposed.

As you know, Virginia received a waiver to begin implementing this landmark welfare reform plan on July 1 of this year. You also should be aware that, before this waiver was granted, we spent the better part of two months fending off efforts by the Clinton Administration to completely rewrite our plan. The administration proposed literally hundreds of changes or conditions in the waiver process. Many of them involved very fundamental things; if agreed to, they would have raised the cost of the program significantly and changed essential provisions.

We had a tough fight in our state legislature—with a final bill clearing the General Assembly only in the last hour of the 1995 legislative session. At issue were questions such as whether we would have a real work requirement and a real time limit; whether there would be a child cap and strong requirements for paternity establishment; and whether we would require minor recipients to stay in school and live at home with a parent or guardian.

This spirited debate was expected, given the fundamental nature of the changes and reforms we were proposing. We did not expect, however—after the legislative process was completed at the state level and we had decided what state law and state policy were going to be—that we would have to turn around and refight all those battles with the federal bureaucracy through the waiver process. A good example was the time limit. We went to the wall with HHS over the issue of whether we in Virginia would be able to define the circumstances that would allow

someone a hardship exemption from the time limit. That is, of course, a very fundamental issue.

This ordeal leaves me firmly convinced that the whole concept of waivers inherently flawed. The waiver process by definition invites prescriptive micromanagement and nitpicking from federal bureaucrats in Washington. What States need in order to accomplish this fundamental transformation of welfare is not new waiver guidelines, as the President has suggested, but elimination of the need for waivers in the first place through a genuine block grant, with flexibility guaranteed by statute.

There are other areas in which the Congress could learn from the experience of States like Virginia. We have implemented a child cap here that places responsibility for additional children upon those who should bear the responsibility—the parents. Our program places a cap on benefits for additional children in an AFDC family, but guarantees that 100% of support funds collected from the father will be turned over to the family. This will encourage responsibility, paternity establishment, and child support.

In Virginia, we recognize the important relationship between economic development and welfare reform. We cannot continue to prepare AFDC recipients simply for welfare jobs. Instead, we must train them to compete for existing jobs in our expanding economy. After passage of our welfare initiative, we turned our attention to workforce development. In order to reform the welfare system effectively, we are in the process of restructuring our job-training programs so that they help match workforce training and skills with the needs of our private sector in our local communities. I would encourage you to ensure that workforce development consolidation is included in the overall welfare reform bill, as the two are essential to a State's success.

What the debate really boils down to is who does the U.S. Senate trust to make these policy decisions—the federal bureaucracy or the elected representatives of the people at the State level. This is a basic philosophical question. The choices you make will determine whether the bold innovations that are occurring in Virginia and other States can move forward, or whether federal bureaucrats will continue to micromanage and second guess the decisions of the people of the States and their duly elected representatives. I respectfully urge you to place your trust in the States, which are leading the way.

Thank you for all your solid leadership for our cause in many ways and congratulations on your selection as Chairman of the Rules Committee.

With warm regards, I remain,

Sincerely,

GEORGE ALLEN.

Mr. WARNER. As you will note, the Governor fully supports the block grant process with as few Federal strings as possible. He desires neither conservative nor liberal mandates. In the spirit of true federalism, he is confident that the people of Virginia are fully able to design and administer our own welfare reform programs.

Here are a few parallels between what we are seeking to do in S. 1120 and what the Commonwealth of Virginia has already set into motion.

We are seeking to block grant the entire Aid to Families With Dependent Children [AFDC] Program and have half the eligible population participating in work requirements by the year 2002. Virginia, on the other hand, will implement AFDC reform in 4 years for our entire 74,000 caseload.

While we have debated the duration of welfare payments and whether or not to guarantee transitional benefits such as child care, Virginia has passed a 2 year time period for welfare recipients, during which intensive work experience, education and training will be provided. To facilitate the transition from welfare to work, medical care, child day care, and transportation assistance will be provided. We did not need someone in Washington dictating what we already knew. Young welfare parents have to be freed from domestic burdens if they are to truly benefit from workfare participation.

And, we promote and strengthen two parent families by assuring that both are eligible for benefits, that paternity is acknowledged, and that child support is more strictly enforced. Minor custodial parents are asked to live with their own parents or legal guardians, as long as the home is not abusive, and they must comply with compulsory school attendance laws.

These and other commonsense reforms are all on the way in Virginia. We welcome and encourage other States to watch closely what we do and to lend us the benefit of your own experiences and expertise in reformulating the welfare equation.

Mr. President, in closing, I would like to commend the Senate majority leader, Senator DOLE, and his key staff members, Sheila Burke and Nelson Rockefeller. This has been a collective effort, requiring accommodation of broad and diverse views, and it could not have been done without the good efforts and offices of the Senate majority leader. They have fine tuned the art of compromise while maintaining a strong and underriding traditional Republican philosophy.

In all seriousness, a brighter and more hopeful day for many disadvantaged Americans is almost within our reach. At the end of this day, let us not disappoint those who are looking to us now for an opportunity to join in the American success story.

Mr. MCCONNELL. Mr. President, since last week, the full Senate has debated the arduous task of reforming a welfare system that has failed in its mission to eliminate poverty in America. Throughout our history, Americans have held to the belief that hard work and investment are the staples for family security and economic success. Yet, our Nation's welfare system has turned away from these basic principles. Working Americans complain that the welfare system promotes dependence and waste, while many welfare recipients struggle for the chance to work their way off the rolls.

Since 1965, America has infused $5.4 trillion into a public assistance network composed of almost 80 State and Federal programs. At best, the War on Poverty has produced temporary gains for poor families. While the national poverty rate dropped from a high of 22 percent in 1959 to an historic low of 11 percent in 1973, the poverty rate had risen to 15 percent by 1993. Most tragically, our welfare system has failed to assist our Nation's most vulnerable families. From 1969 to 1993, the child poverty rate declined by less than 1 percent of families headed by single mothers.

America's welfare system has lost its focus. In the 1930's, the Roosevelt Administration created the Aid to Families with Dependent Children Program to help widows, orphans, and families suffering from abandonment or unemployment through difficult financial times. Today, those in need must navigate an array of conflicting bureaucratic rules and program divisions that discourage work, and many times, family unity. Instead of liberating Americans from financial crisis, today's AFDC system fosters a detrimental cycle of generational welfare reliance.

Few dispute that welfare reform is necessary. Without change, single-parent families will continue to suffer from poverty, and the escalating cost of the status-quo will overwhelm our Nation's financial resources. Democrats and Republicans alike are focused on similar goals—State flexibility and the end of unconditional assistance. But how can these goals be attained? The answer is real, commonsense reform.

First, we must fundamentally restructure the way our welfare system works. Our patchwork system of Federal and State welfare programs has produced a complex and inconsistent means for distributing benefits. In increasing numbers, States are requesting Federal waivers to restructure federally defined welfare programs so they can effectively deliver the services their citizens need. President Clinton recently promised the Nation's Governors a waiting period of only 120 days for the processing of their waiver requests. However, states need more than a fast-track system for bureaucratic review. They need real flexibility—the authority to develop public assistance programs that promote work, rather than automatic check writing.

Americans are increasingly concerned that an unconditional entitlement to welfare is displacing the desire for independence with the expectation of permanent dependence. To successfully reduce poverty, welfare must focus on employment, not exemptions to work. Over the years, we have tried a variety of complex, federally dominated work programs. Efforts to attain sustainable employment for AFDC recipients have become little more than a paper chase under the current Job Opportunities and Basic Skills [JOBS] Program. Despite good intentions, the JOBS Program has failed and must be repealed. To effectively respond to the day-to-day reality of the job market, States should be empowered with the authority to develop and adjust their

work programs according to recipient need and local job resources.

Welfare recipients also should know that public assistance is not free money but an investment in their work potential. Welfare must be contingent on real work. While appropriate job training is important, we must not lose sight of the fact that classroom lessons mean nothing unless one can actually apply them to the workplace. Real work also means real responsibility. Those who refuse to work without sound cause should see their actions directly reflected in their welfare benefit. Just like every other American employee, an hour's work should equal an hour's pay. In addition, a 5-year lifetime limit focuses recipients on welfare's fundamental purpose—support for the attainment of self-sufficiency.

Second, reform should focus on abolishing abuse. I don't know of one taxpayer that wants Food Stamps used for the purchase of drugs or alcohol. I know that many of my colleagues on both sides of the aisle share my concern with fraud in our Nation's largest welfare program. I have dedicated considerable effort to legislative proposals that would curtail waste, fraud, and abuse in the Food Stamp Program. The welfare reform bill before us meets this challenge and helps ensure that food stamps are used for their intended purpose: to help needy Americans buy food to supplement their diet.

I am also pleased to see that this bill retains child nutrition programs at the Federal level while successfully reducing excessive Federal regulation. These programs work and have successfully ensured the health and nutritional well-being of future generations of children.

Third, it is essential that welfare reform uphold a standard of responsibility to our Nation's children and families. Illegitimacy in America is becoming the rule rather than the exception. The facts are alarming. Today, 1 in 3 children are born out-of-wedlock—by the turn of the century, this figure will be 1 in 2. Most disturbing of all is the drastic increase in out-of-wedlock births among our youth. In 1960, 15 percent of births to women under the age of 20 were out-of-wedlock. By 1992, this figure had increased to 71 percent.

Today, the specter of poverty haunts single mothers and their children like never before. From 1976 to 1992, the proportion of single, never-married women receiving AFDC more than doubled, from 21 percent to almost 52 percent. Yet welfare assistance has failed to shepherd these needy families to a better future. The Congressional Budget Office found that single women receiving AFDC in 1992 were poorer than in 1976, even though they worked in about the same proportions.

The increasing number of single mother families living in poverty is fueled by the ease with which absent fathers ignore their parental responsibilities. To reverse this devastating trend, we must take seriously the necessity of paternity identification. Fatherhood is not a one-time-only event—it is a lifelong responsibility and should be treated as such.

Paternity identification is an essential step toward the improved collection of child support. In Kentucky, efforts in paternity identification have head a substantial impact upon the collection of child support for AFDC dependent families. In fiscal year 1994, 7 counties ranked in the top 10 for both paternity identification and child support collection.

Without a doubt, dead-beat dads must be held accountable for their child support obligations. In 1991, fathers owed $17.7 billion in child support payments. Only 67 percent, however, was paid—a shortfall of $5.8 billion. If a father refuses to support his child, States have the right to make his parental responsibility crystal-clear by suspending his driver's or professional license.

Mr. President, real reform means transforming welfare from a dead-end street to a bridge toward self-sufficiency and family security. Last year in Owensboro, KY, three mothers shared with me their personal experiences in the welfare system. They were deeply concerned about the future—how they would care for the health and well-being of their children as they tried to work their way off welfare. As they spoke, it was clear that their success depended on their tenacity to break free from the confines of a welfare system that promises much but delivers little. It is for them and each of our Nation's 5 million AFDC families that we must reject the status-quo of an empty entitlement system and return our welfare system to the basics of fairness, work, and family security.

THE MAINTENANCE OF EFFORT AMENDMENT

Mr. CHAFEE. Mr. President, Senator GRAHAM asked a question yesterday during consideration of my amendment on maintenance of effort which I am not sure I fully understood, and I wonder if he could ask the question again.

Mr. GRAHAM. Thank you, Mr. President. The question is does the Chafee modification to the maintenance of effort mean that a State would have to continue to maintain its effort at 80 percent if the Federal share is reduced.

Mr. CHAFEE. I thank the Senator from Florida for clarifying the issue. The answer is no, if the Federal share is reduced for whatever reason, the State maintenance of effort would also be reduced. This is the hold-harmless provision that was included in both my amendment and the amendment offered by the Senator from Louisiana, Senator BREAUX.

Mr. GRAHAM. I thank the Senator from Rhode Island for clarifying this issue for me.

Mr. PRESSLER. Mr. President, today's debate is the culmination of a long process of rethinking social programs. Welfare originally was designed as a transitional program—a safety net. The system is no longer a temporary safety net, but a lifetime security blanket. The result? Millions of Americans now are trapped in a cycle of dependency. To end this cycle we must rethink our concept of welfare. We need a new approach.

The bill offered by the majority leader, Senator DOLE, represents the fresh start we desperately need. The Dole bill would bring common sense back to welfare. It would restore personal responsibility and self-sufficiency. Compassion can no longer be defined in the number of dollars spent on welfare. Since the War on Poverty began three decades ago, welfare spending has increased to more than $137.6 billion. Despite this massive infusion of cash, our poverty level remains virtually the same—roughly 13 percent. Today, more than 69,000 South Dakotans are on welfare. That is more people than the population of Rapid City. We can no longer throw taxpayer dollars at a so-called poverty program that has not worked. We must change the incentives in the current system that encourage dependency on welfare. We must refocus our priorities to emphasize work and family. The Dole bill does just that.

My liberal friends on the other side of the aisle prefer to continue the status quo. I do not understand why. The current system is cruel and unfair—to both welfare recipients and taxpayers. The current system holds people in a dependent state of poverty. It prevents them from realizing their personal potential and contributing to their family and community through work. Last June, I met with a group of mothers from South Dakota who are on welfare. Their heartfelt stories varied, but all are working actively for the day when they will leave welfare. They want welfare to be a transitional program. Their goal should be the welfare system's goal as well.

We can no longer tolerate blatant gaming of the system. Generations of able-bodied families have stayed on welfare rather than work. This abuse is an insult to hardworking Americans. South Dakota has many working poor families. The small farmer, the local waitress and convenience store clerk struggle daily to provide for their families without government assistance. Welfare recipients should not get a free ride at the expense of hard working taxpayers. Frankly, they should not live easier or better than our working poor, who strive daily to put food on the table without a handout. The loopholes that allow people to cheat the system and defraud taxpayers must be closed.

The Dole plan would transform welfare to workfare. It would restore personal responsibility by requiring work for benefits after 2 years on public assistance. Work would be required for food stamps as well. It would impose a 5 year lifetime limit on benefits. The bill would end disability assistance payments for alcohol and drug addicts to continue their habits, which is allowed under current law. It would

tighten eligibility for food stamps. It would toughen child support enforcement. The Dole bill also would streamline child care programs, child nutrition programs, and job training programs. Collectively, these steps would move our antipoverty programs from welfare to workfare; dependency to personal responsibility. It is about time.

We all agree that we have a responsibility to provide public assistance to truly needy children and families. This bill would continue the necessary transition assistance for those families who find themselves in circumstances beyond their control. It would not cut benefits to needy children. Instead, it would eliminate one-third of the cumbersome bureaucracy at the Department of Health and Human Services and scores of needless Federal regulations.

The second pillar of personal responsibility is family. Welfare reform should remove disincentives to a sound family structure. The current system rewards illegitimacy and discourages marriage. An entire class of children are growing up in single parent families, usually without fathers. South Dakota small towns and cities are no longer immune to these problems. If we expect to restore family values, we must first restore the family structure. We should encourage marriage and family values while we encourage work.

Perhaps most importantly, the Dole bill would give South Dakota and other States the ability to craft the solutions that best serve local needs. It has been proven time and again that Washington bureaucrats cannot completely understand unique local needs from thousands of miles away. Nor can we expect Washington bureaucrats to be the sole source of creative changes. By giving States welfare funds in a block grant, South Dakota would be free to pursue innovative ways to meet the needs of their welfare recipients.

Like many other States, South Dakota has been operating under a waiver from the Federal Government since January 1, 1995. This waiver has allowed them to make some of the key reforms called for in the Dole bill. South Dakota implemented work for benefits, and incentives to moving off welfare, such as a transition period between AFDC support and employment. These changes are working. Case rolls are decreasing dramatically. In fiscal year 1994, South Dakota had a monthly average of 19,446 people on aid to families with dependent children [AFDC]—the central welfare cash assistance program. In May 1995, we had 16,737 people on AFDC. This reduction is proof that workfare truly works. We can change the incentives in the system. Further, South Dakota, like other States, can do a better job than the Federal Government.

I would like to speak for a few moments about the unique welfare problems in South Dakota. A number of the welfare problems in South Dakota are ours alone—in fact, they differ greatly from even our Midwest neighbors. My State has three of the five poorest counties in the entire Nation. Our State has the lowest wages in the country. More than half of our welfare recipients—58 percent—are native Americans—the highest percentage in the country. In some reservation areas, unemployment runs more than 80 percent. Long distances between towns and a lack of public transportation are further barriers to gainful employment and quality child care. All of these factors create a situation that needs special attention. What is needed to end welfare dependency in Oglala, Fort Thompson, or Rapid City, SD, is not what is needed in Los Angeles or Mississippi. With this bill, we recognize that we are a nation with people of vastly different needs. As such, we need individualized solutions.

True welfare reform in South Dakota demands welfare reform on our reservations. Because of South Dakota's special problems, I have been especially concerned with the treatment of native American tribes in this legislation. Both the tribes and the State of South Dakota agree that the best way to relieve poverty and welfare dependency on reservations is give tribes the option to run their own welfare programs. A number of my colleagues—Senators MCCAIN, HATCH, MURKOWSKI, and DOMENICI—and myself, have agreed on a proposal which is included in the Dole bill. Our proposal would give tribes the ability to allocate their share of a State's AFDC dollars among tribal members. Much like the overall welfare system, handing out unlimited Federal dollars in public assistance has not changed the deplorable poverty on reservations. Welfare reform for native American tribes also means changing incentives. Workfare must be employed on our native American tribes, but done in a manner that recognizes the unique circumstances that exist. By making tribes directly responsible for their members, tribes will have an incentive to find solutions to chronic unemployment and poverty. This also is consistent with the long-standing Federal policy of tribal self-governance. Under our proposal, for example, tribes in high unemployment areas such as Shannon County would be given some flexibility in meeting participation rates. This proposal is fair and I thank all my colleagues for their help in taking the first step to resolve this important, but difficult issue.

I am proud to be part of this effort today. Ultimately, what this bill is about is change—positive change. We can change the current failed system to help people become self-sufficient and productive members of society. We can change incentives to restore personal responsibility and family values. I look forward to working with my colleagues on both sides of the aisle to see that workfare becomes a reality.

ORDERS FOR FRIDAY, SEPTEMBER 15

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:15 a.m. on Friday, September 15, 1995, that following the prayer, the Journal of the proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of H.R. 4, the welfare reform bill, and there then be 10 minutes of debate, equally divided, on the Bingaman amendment No. 2483.

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

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business with Senators permitted to speak therein for up to 5 minutes each.

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

AIR SERVICE TO SMALL CITIES

Mr. PRESSLER. Mr. President, I rise today to discuss a problem which severely affects the economic growth of my home state of South Dakota. This problem is an acute shortage of air service within my state coupled with insufficient connecting air service between South Dakota cities and hub airports in nearby states. Congressional attention is needed.

The Airline Deregulation Act of 1978 created significant domestic travel benefits for many Americans. In addition, airline efficiencies resulting from deregulation have helped reduce the cost of international travel. Unfortunately, these benefits have not been evenly distributed across the country. Indeed, they have not been shared by Americans living in many smaller cities and rural communities.

One need only try to schedule air travel to South Dakota to know that my state, as well as other rural states, have paid a harsh price for airline deregulation. For numerous small cities, fares are higher and service less frequent since deregulation. Moreover, I know from personal experience—and statistics from the U.S. Department of Transportation (DOT) confirm—that non-stop jet service to many South Dakota cities has been replaced by connecting turboprop service. The result? Often, it is less desirable service involving circuitous routing on slower and less comfortable aircraft.

Mr. President, several months ago I requested the General Accounting Office (GAO) to prepare a study comparing air service for large, medium and small cities across the country. That study, which I understand is progressing well, is considering differences between these markets in terms of the cost of air travel for consumers, the extent to which jet service is available,

and safety. I am confident this study will be very enlightening.

In connection with the GAO study, the DOT already has provided statistics that dramatically illustrate the great burden rural states like South Dakota bear as a result of airline deregulation. For example, for the month of February 1978, prior to deregulation, there were a total of 2,384 scheduled commercial flights departing South Dakota airports with 186,080 seats available for the traveling public. By comparison, for the month of February 1995, there were 2,421 commercial flights departing my home state but only 94,538 seats were available on these flights. These statistics show that at the same time the number of flights departing South Dakota increased by 1.5 percent, the total number of seats available to the traveling public have dramatically decreased—a 49.1 percent reduction in seating capacity.

At first glance, these statistics seem inconsistent. How is it possible for the number of seats available for departing passengers to fall so dramatically at a time the number of departing flights actually increased? The answer is that airlines are substituting small, non-jet aircraft in small city markets previously served by larger jets. For example, in May 1978, 19 percent of commercial flights departing Rapid City, South Dakota involved non-jet aircraft. In May 1995, that percentage has more than doubled to 42 percent. Turboprop aircraft substitution in many small city markets is a post-deregulation reality.

The impact of non-jet aircraft substitution in smaller markets is significant. It hits my constituents and other small city air travel consumers right in the wallet. Let me explain.

Like most goods and services, the price of air travel for consumers depends to a large extent on the supply and demand of seats. Naturally, therefore, air fares increase when demand for seats goes up at a time when the supply of available seats declines. That is precisely what has happened in my state. As I mentioned, while the demand for air travel has been generally increasing, the supply of seats available to passengers departing South Dakota has declined by 49.1 percent. Just ask my constituents if this ''supply squeeze'' has caused higher air fares. It clearly has increased the price of air travel in South Dakota.

At my request, the GAO is examining these air service issues on a national scale. When the GAO report is issued, I plan to hold a hearing on its findings. The report is expected to be completed in the Spring of next year.

Mr. President, I cannot stress strongly enough what a problem insufficient and unaffordable air service is in South Dakota as well as other rural states. However, there may be hope for improvement. Indeed, I am guardedly optimistic about a new development.

The development to which I refer is the availability of a new generation of small commuter jets, so-called ''junior jets.'' These smaller jets will give airlines a service option that previously did not exist. Previously, when airlines' planners assigned aircraft to particular routes, there was a choice only between larger jetliners and turboprops. Now, they have a third option.

Let me illustrate this point. On a flight which customarily serves 40 passengers, it is currently uneconomical for airlines to use jet aircraft, which generally have 100 or more seats. Previously, the only alternative was to use turboprop service on such routes. Now, however, junior jets will permit airlines to serve that market with a 50 seat jet aircraft.

If airlines purchase and use junior jets, jet service may return to some small cities. Other small cities may see an increase in jet service. Of significant importance, use of junior jets could increase the number of seats available in small city markets and this added capacity could help to lower the cost of air travel. In fact, these jets could reduce airlines' costs of serving some routes and this could lead to lower air fares in the long run. All the air service challenges small communities face surely will not be resolved by junior jets. Use of these aircraft would, however, be a step in the right direction.

I will ask unanimous consent that a recent article appearing in the New York Times which addresses the great potential junior jets represent in providing service to smaller air service markets be printed in the RECORD at the end of my remarks. Will airlines take advantage of the option of providing air service to small cities on junior jets? As airlines mull over this questions, I urge them to keep several important points in mind.

First, last year more than 37 percent of all passenger enplanements in the United States occurred at airports other than the 25 large connecting hubs, such as Chicago O'Hare. Many of these more than 200 million enplanements were passengers flying to or from small cities. I urge airlines to never forget that small cities, such as Sioux Falls, Rapid City and Aberdeen, SD, are a very important component of their customer base and provide critical passenger feed for the airline industry's domestic and international networks.

Second, improved quantity and quality of service and lower fares that could result from the use of junior jets could stimulate demand in small city markets. In addition to making passengers happier, using junior jets could also benefit airlines by increasing the number of passengers traveling in these markets.

Mr. President, the benefits of airline deregulation have not been shared by citizens living in smaller cities. Fairness dictates this unfortunate reality be changed. I urge airlines to carefully consider the benefits of using junior jets to serve these cities. These new aircraft have the potential to make a bad situation better. I also urge airlines not to underestimate the importance of small city markets.

I ask unanimous consent that the New York Times article be printed in the RECORD.

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

[From the New York Times, Aug. 19, 1995]

RELIEF FOR THE TURBOPROP BLUES—SMALL IS SUDDENLY BEAUTIFUL FOR SHORT-HOP TRAVELERS

(By David Cay Johnston)

Until recently, whenever Scott Hansen, a Salt Lake City lawyer, had to visit clients in Boise, Idaho, he dreaded calling his travel agent. Of the eight daily flights, four were on 135-passenger Delta Air Lines jets but the four others were on much smaller turboprops flown by SkyWest Airlines, a Delta commuter affiliate.

Of his last 75 flights, Mr. Hansen said, 45 required him to squeeze into the bumpy, low-flying turboprops. ''There's no comparison,'' he said. ''In the jet you have good seats, you board through a jetway and you can stand up when you walk down the aisle.''

But some relief for travelers like Mr. Hansen is in sight. Several manufacturers from around the world are racing to deliver a new wave of what might be called junior jets, able to carry between 50 and 80 passengers. They are a vast improvement over the somewhat smaller short-hop turboprop planes, with their propeller-droning, often stomach-wrenching flights as they go right through the middle of the seemingly inevitable summer thunderstorm.

Forget about all the attention focused on the competition between Boeing and Airbus for the next generation of jumbo jets. What will really make a big difference in the daily trials and tribulations of tens of thousands of bedraggled airline passengers are these small, often overlooked, regional jetliners.

Already, junior jets have started to replace turboprops on some midlength routes like the Salt Lake City-Boise run. And they are increasingly being used to connect less traveled, more widespread cities where passengers were once condemned to go through a connecting airport, often from one turboprop to another.

In Brazil yesterday, the newest junior jetliner took its first test flight after rolling out of its factory hangar in São Jose dos Campos, a 170-mile hop from Rio de Janerio. The Embraer–145 is a 50-seat regional jet built by Empresa Brasileira de Aeronautica S.A., as the company is formally known, to replace slightly smaller turboprops. That includes Embraer's own Brasilia, which is the most widely used turboprop in the United States. More than 200 are operated by American carriers today.

The new plane, which costs $14.5 million, is basically a stretched Brasilia turboprop fitted with jet engines. Meanwhile, another 50-seat jet aircraft, the Canadair Regional Jet, has started to make inroads in the United States and elsewhere since it was introduced in 1993.

That Canadian-built plane, a derivative of Bombardier Inc.'s Challenger corporate jet, is intended not so much to replace turboprops on short hops as to allow nonstop jet service between distant cities with limited economic ties, such as Rapid City, S.D., and Salt Lake City, which are 508 air miles apart. Even so, Sky West recently turned to

Canadair to replace its Brasília turboprop planes on the Salt Lake City-Boise run. Thirty-one Canadair Regional jets currently operate in the United States.

That's not all. Earlier this summer two Fokker 70's a new Dutch jet with 79 seats, began service for America West Express, a unit of Mesa Air Group. They provide nonstop service from Phoenix to Des Moines and to Spokane, Wash., both long, thinly used markets that previously required at least one stop. Also flying in the United States are 16 four-engine British Aerospace BAe-146 jets and a few newer models of the same plane. Fokker is a unit of Daimler-Benz A.G.

And at least one American plane maker, McDonnell Douglas, is trying to develop a shorter version of its smooth-flying MD-80. It has not yet decided whether to go ahead with construction.

Over the next 20 years airlines worldwide are expected to buy as many as 1,500 jets that carry fewer than 100 passengers, said Barbara Beyer, president of Avmark, an airline industry consulting firm in Arlington, Va.

Still, the turboprop is not about to disappear. Bombardier, the Canadian plane maker, estimates that between 1993 and 2012 airlines worldwide will spend $91 billion to buy 8,107 regional aircraft with 15 to 90 seats. Most of these planes will be low-cost turboprops with 40 of more seats. Airline industry experts say that turboprops will continue to serve as the backbone of flights between small- and medium-sized cities like Concord, N.H., and Syracuse and nearby major airports, such as Boston and New York.

For an increasing number of lucky fliers, though, the junior jets will provide a lot more speed and some added comfort over turboprops. And for thousands of others, there is the prospect of an end to the time-wasting change of planes.

''After two hours a turboprop is a real pain,'' Miss Beyer said, ''Essentially there are two kinds of markets that can be served by regional jets. Those that are more than 400 miles apart, but are not large enough to command larger jet equipment. And those markets that have been abandoned by the major carriers since deregulation of the airlines—markets that had been jet markets and should be jet markets.''

For years, the big United States aircraft manufacturers—Boeing and McDonnell Douglas—resisted building smaller jets, arguing that the development costs would be too high to justify the expense of building jets that would inevitably sell for much less than their bigger bread-and-butter jet aircraft.

''Then we hounded Canadair with the idea that they ought to turn their Challenger business jet into a regional airliner,'' Miss Beyer said. ''And ultimately they did and now it is an absolute raving success.''

While off to a good start, it remains to be seen just how successful the Canadair will be. Bombardier has delivered 65 such Canadair jets and has orders for 37 more. It says it plans to bring out a lengthened version that can carry 75 passengers.

Aircraft makers readily acknowledge that most passengers do not like turboprops, not just because of their noisy vibrations and cramped space, but also because they appear outdated and less safe. And the crash last October of a French-made ATR turboprop plane, which led the Federal Aviation Administration to ban the planes temporarily from flying in icy weather, only added to the safety fears surrounding turboprops. But the manufacturers insist that view is misguided.

''People tend to look at propellers and think old-fashioned,'' said Colin Fisher, a spokesman for Bombardier, which also makes a 50-seat turboprop, the Dash 8. ''But Turboprop and jet technology were born in the same time frame, around the time of World War II.''

Whatever the manufacturers say, passengers recognize a clear difference. On a flight from Rochester to Cincinnati, a Canadair Regional jet operated by Comair, another Delta commuter affiliate, was exceptionally quiet and smooth, taking off quickly and flying above the turbulence. But the seats in junior jets do not vary that much in appearance and comfort from those typically found in most turboprops.

The main reason more airlines do not rely on junior jets is because they are much more expensive to buy than turboprops. And even though they hold more seats, that's still a real burden, particularly for commuter operators without a lot of extra investment capital that are operating on paper-thin margins. The new Embraer regional jet, for example, will cost nearly double the $7.7 million price of its Brasilia turboprop. A Canadair Regional jet costs even more—$17 million to $22 million a copy.

But the new Brazilian operating costs are expected to be comparable. Its new regional jet, Embraer says, should cost about $27 an hour per seat to fly, compared with $29 per hour for a Brasilia. And some airlines think the investment is worthwhile, in part because jets fly much faster than turboprops, allowing more flights each day. Delta Connection flights on a Saab 340 turboprop between Rochester and La Guardia Airport in New York City are scheduled for 85 minutes, compared with USAir's 64 minutes via a 737 jet, adding about one-third to the gate-to-gate time.

Jets can also cruise higher, which means fewer cups of coffee ending up in passenger laps. ''You can fly up quickly and get above the weather, which is especially attractive during thunderstorm season,'' said David A. Siebenburgen, president of Comair Holdings, the regional airline in Cincinnati that introduced the Canadair Regional Jet into service. ''Our customers love them.''

Comair operates 64 turboprops and 23 Canadair Regional jets, but within five years the company expects to operate fewer than 50 turboprops and at least 70 Canadair Regional jets, Mr. Siebenburgen said.

And even though the carrying costs are higher, SkyWest, based in Salt Lake City, sees advantages in the eight Canadair Regional Jets, all leased, that it now flies.

''The reason we feel comfortable with the risk,'' said Bradford R. Rich, SkyWest's chief financial officer, ''is that the plane fits into the longer, thinner markets we have. We believe it can expand our market area because of the high speed and comfort.''

As far as Canadair's new Brazilian competitor goes, it already has 18 firm orders for its regional jet, five of them from BWIA, a Caribbean airline. Embraer also says it has 16 options and 127 letters of intent.

So far, however, no airline in the United States has ordered an EMB–145. But Michael Warwicke, Embraer's vice president for sales, is counting on a few orders to roll in once the airplane completes flight-worthiness testing. Long-suffering prop-jet passengers may want to start counting the days.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about ''another go'', as the British put it, with our pop quiz. Remember? One question, one answer.

The question: How many millions of dollars does it take to add up a trillion dollars? While you are thinking about it, bear in mind that it was the U.S. Congress that ran up the Federal debt that now exceeds $4.9 trillion.

To be exact, as of the close of business yesterday, September 13, the total Federal debt—down to the penny—stood at $4,967,410,712,825.60, of which, on a per capita basis, every man, woman and child in America owes $18,856.78.

Mr. President, back to our pop quiz, how many million in a trillion: There are a million million in a trillion.

MESSAGE FROM THE HOUSE

At 2:58 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. YOUNG of Florida, Mr. MCDADE, Mr. LIVINGSTON, Mr. LEWIS of California, Mr. SKEEN, Mr. HOBSON, Mr. BONILLA, Mr. NETHERCUTT, Mr. NEUMANN, Mr. MURTHA, Mr. DICKS, Mr. WILSON, Mr. HEFNER, Mr. SABO, and Mr. OBEY as the managers of the conference on the part of the House.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1162. An act to establish a Deficit Reduction Trust Fund and provide for the downward adjustment of discretionary spending limits in appropriation bills.

H.R. 1594. An act to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans.

H.R. 1655. An act to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 1162. An act to establish a Deficit Reduction Trust Fund and provide for the downward adjustment of discretionary spending limits in appropriation bills; referred jointly, pursuant to the order of August 4, 1977, to the Committee on the Budget, and to the Committee on Governmental Affairs.

H.R. 1594. An act to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans; to the Committee on Labor and Human Resources.

H.R. 1655. An act to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United

States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Select Committee on Intelligence.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1423. A communication from the Assistant Secretary for Communications and Information, the Department of Commerce, transmitting, the report of the Public Telecommunications Facilities Program grants for fiscal year 1995; to the Committee on Commerce, Science, and Transportation.

EC–1424. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the report of three contracts for design-build construction services on behalf of the Internal Revenue Service; to the Committee on Environment and Public Works.

EC–1425. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the report of a building project survey for Oklahoma City, Oklahoma; to the Committee on Environment and Public Works.

EC–1426. A communication from the Administrator of the General Services Administration, transmitting, a draft of proposed legislation entitled ''Emergency Leasing Act of 1995''; to the Committee on Environment and Public Works.

EC–1427. A communication from the Administrator of the General Services Administration, transmitting, a draft of proposed legislation entitled ''Prospectus Threshold Increase Act of 1995''; to the Committee on Environment and Public Works.

EC–1428. A communication from the Assistant Legal Affairs Adviser for Treaty Affairs, the Department of State, transmitting, pursuant to law, the text of the international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–1429. A communication from the Assistant Secretary of State for Legislative Affairs, transmitting, pursuant to law, notice of a Presidential determination relative to the International Organizations and Programs Account Funds; to the Committee on Foreign Relations.

EC–1430. A communication from the Assistant Legal Affairs Adviser for Treaty Affairs, the Department of State, transmitting, pursuant to law, the text of the international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–1431. A communication from the Assistant Secretary of State for Legislative Affairs, transmitting, corrections to the text of the Convention Between the Government of the United States of America and the Government of the Republic of Kazakhstan; to the Committee on Foreign Relations.

EC–1432. A communication from the President of the United States, transmitting, pursuant to law, the report on the cost for operations and assistance to Haiti for the period October 1, 1993 to March 31, 1995; to the Committee on Foreign Relations.

EC–1433. A communication from the President of the United States, transmitting, pursuant to law, the report of an alternate plan for Federal pay adjustments; to the Committee on Governmental Affairs.

EC–1434. A communication from the from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report entitled ''Statistical Programs of the United States Government''; to the Committee on Governmental Affairs.

EC–1435. A communication from the Comptroller General of the General Accounting Office, transmitting, pursuant to law, notice of reports and testimony for the month of July, 1995; to the Committee on Governmental Affairs.

EC–1436. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-134, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC–1437. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-135, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC–1438. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-136, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC–1439. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-139, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC–1440. A communication from the Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, the report of the Plan for the Use and Distribution of the Funds Awarded the La Jolla Band of Mission Indians; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled ''Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996'' (Rept. No. 104–141).

By Mr. COCHRAN, from the Committee on Appropriations, with amendments:

H.R. 1976. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104–142).

By Mr. MCCONNELL, from the Committee on Appropriations, with amendments:

H.R. 1868. A bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104–143).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 1240. A bill to provide for a special application of section 1034 of the Internal Revenue Code of 1986; to the Committee on Finance.

By Mr. EXON:

S. 1241. A bill entitled the ''Public Broadcasting Financial Independence and Family Viewing Act of 1995''; to the Committee on Commerce, Science, and Transportation.

By Mr. BRADLEY:

S. 1242. A bill to authorize the National Institute of Justice to provide technical assistance to State and local law enforcement entities, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER (for himself, Mr. KOHL, Mr. GRASSLEY, Mr. LEAHY, and Mrs. FEINSTEIN):

S. 1243. A bill to provide educational assistance to the dependents of Federal law enforcement officials who are killed or disabled in the performance of their duties; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE:

S. 1240. A bill to provide for a special application of section 1034 of the Internal Revenue Code of 1986; to the Committee on Finance.

SPECIAL APPLICATION LEGISLATION

● Mr. INOUYE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the case of Rita Bennington—

(1) who purchased her new principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986) in January 1992, and

(2) who was unable to meet the requirements of such section with respect to the sale of an old principal residence until May 1994, because of unexpected delays caused by Hurricane Iniki, the Secretary of the Treasury, in the administration of section 1034 of the Internal Revenue Code of 1986, shall apply subsection (a) of such section by substituting ''2.5 years'' for ''2 years'' each place it appears.●

By Mr. EXON:

S. 1241. A bill entitled the ''Public Broadcasting Financial Independence and Family Viewing Act of 1995''; to the Committee on Commerce, Science, and Transportation.

THE PUBLIC BROADCASTING FINANCIAL INDEPENDENCE AND FAMILY VIEWING ACT OF 1995

● Mr. EXON. Mr. President, as Governor and Senator, I have been a long time supporter of public broadcasting. In Nebraska, public broadcasting leads the way in innovative programming, distance learning, and educational opportunity. That dedication to excellence, to children and to families has made Nebraska Public Television an island of decency, sanity, and enrichment in the sea of violence, sex, and immorality which is commercial television.

I am pleased to introduce legislation titled the Public Broadcasting Financial Independence and Family Viewing Act.

Opponents of public broadcasting have sparked a debate about the future on this national treasure. That debate has been healthy and ironically could lead to the salvation of public broadcasting. As a member of both the Senate Commerce Committee, and the

Senate Budget Committee, I foresee a budgetary situation which threatens the very existence of public radio and television regardless of who controls the House or the Senate. The reforms proposed in this legislation would give public broadcasters the tools for survival.

As a strong supporter of public broadcasting, I have repeatedly expressed several troubling concerns about recent public broadcasting programs and policies. This legislation is also meant to refocus the mission of PBS and CPB on family-friendly, entertainment, educational, cultural, and informational programming.

I simply can not defend standards and practices which permit displays of nudity and use of language in CPB-funded dramatic programming which would not be permitted on commercial broadcast television. Public broadcasting can tackle controversial subjects but it should be done in a manner which is not offensive.

Public broadcasting comes into the homes of American families thanks in part to the tax dollars of those families and thanks to the radio spectrum owned by the people. It is not too much to ask that programming be presented in a manner which is appropriate for a home with children.

In this regard, I must give the Nebraska Educational Television network credit for showing great sensitivity to Nebraska families. Last year NETV only aired the edited version of the controversial program ''tales of the city'' and decided not to broadcast some of the programming offered by PBS and other sources which push the envelope of taste and propriety.

On a national level, I strongly believe that the CPB and PBS should show the same sensitivity to taxpayers and viewers. It is not censorship to ask that American tax dollars be spent in a manner that is consistent with American values.

On the financial side, the Corporation for Public Broadcasting should more aggressively pursue and share in the spinoff profits generated by products related to CPB funded programming. It is tragic that public broadcasting has made millions of dollars for others but must battle each year for modest appropriations.

In addition, under this legislation public broadcasters would be given spectrum and schedule flexibility as well as new channel placement options which could generate additional nontax revenues. These measures hold long-term promise toward the goal of making public broadcasting more financially independent.

Mr. President, never before has the need for quality television been more critical. Public broadcasting has a long tradition of meeting that need for quality. I believe that we can reinvent public broadcasting. As a supporter of public broadcasting, I am prepared to consider any creative idea to lessen taxpayer burdens in this area. My one bottom line; my one nonnegotiable item is that public boardcasting remain public. It should not be privatized or dismantled and sold to the highest bidder. It is a national treasure which must remain in the public domain.

Mr. President, I introduce this legislation and extend a hand of friendship and cooperation to Members on both sides of the aisle. Public broadcasting is an institution which means a great deal to the people of Nebraska, and the Nation, and we must find ways to help it meet the challenge of survival in a very difficult fiscal climate.

Thank you Mr. President.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1241

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 referred to as ''The Public Broadcasting Financial Independence and Family Viewing Act of 1995''.

SEC. 2. FAMILY VIEWING.

Section 396(g)(1)(A) of Title 47 is amended by inserting between the words ''which'' and ''are'' the following new language ''are suitable for family viewing throughout the broadcast day and which''.

SEC. 3. USE OF FEDERAL FUNDS.

A new Section 396(k)(1)(F) to Title 47 is added as follows:

''(F) No federal funds shall be used to broadcast any program which is indecent or to broadcast any dramatic program which includes nudity.''

SEC. 4. PUBLIC INTEREST.

Section 396(a) of Title 47 is amended by adding the following new subsection:

''(11) It is in the public interest that public broadcasting provide educational, cultural, information and entertaining programming which is suitable for family viewing.''

SEC. 5. SPECTRUM FLEXIBILITY.

The Commission shall adopt regulations which would allow public broadcast license holders to make use of their broadcast spectrum for the transmission of ancillary and supplementary services, so long as the licensees provide without charge at least one schedule of public broadcast programming. In permitting such use, the Commission shall assure through regulation or license terms that:

(a) the proceeds, if any from such ancillary and supplementary use go to the exclusive benefit of public broadcasting;

(b) public broadcast licensees do not lessen their existing commitment or level of effort to public broadcasting; and

(c) to the extent such spectrum is used for a purpose other than public broadcasting, fees charged for such use shall be at market rates.

SEC. 6. SCHEDULE FLEXIBILITY.

The Commission shall adopt regulations which would allow public broadcast license holders to utilize their broadcast schedule between the hours of 1 AM and 6 AM to provide on a leased basis non-public broadcast programming for a fee or for public broadcast license holders to provide commercially sponsored programming provided that:

(a) the proceeds, from such use go to the exclusive benefit of public broadcasting;

(b) public interest licensees do not lessen their existing commitment or level of effort to public broadcasting; and

(c) to the extent such use is for a purpose other than public broadcasting, fees charged for such use shall be at market rates.

SEC. 7. ENHANCED UNDERWRITING.

(a) Section 399(a) of Title 47 is amended:

(1) by striking the word ''exclusive'' in subsection (a); and

(2) by inserting before the period (.): ''through a call to action, an inducement to buy, sell, rent, or lease, or the provision of price information''.

(b) Section 399B(a) of Title 47 is amended:

(1) by inserting: ''through a call to action inducement to buy, sell, rent, or lease or the provision of price information'' after the word ''promote.'' and

(2) by inserting: ''when such offering is other than an educational or cultural event sponsored in part by a qualified public broadcasting station, or producer or distributor of programming for public broadcast stations'' after the word ''profit''.

SEC. 8. SATELLITE, COMMON CARRIER AND OTHER FORMS OF PROGRAM DISTRIBUTION.

Public Broadcasting programming may be distributed to viewers by means of satellite, common carrier, or other form of telecommunications technology for a fee provided that the proceeds from such distribution go to the exclusive benefit of public broadcasting.

SEC. 9. FREQUENCY EXCHANGE.

The Commission may approve an exchange of frequencies between a public broadcaster and a commercial broadcaster, when the proceeds from such exchange are dedicated to the benefit of the national public broadcasting system.

SEC. 10. ANCILLARY INCOME.

The Board of Directors of the Corporation for Public Broadcasting, and The Public Broadcasting System shall ensure that to the greatest extent possible agreements for programming include a provision to assure that public broadcasting share in benefits from the sale of any ancillary products, books, recording, toys, character licensing or other products related to the broadcast of such programming.

SEC. 11. GAO REVIEW.

The General Accounting Office shall conduct a review of the operations of the Corporation of Public Broadcasting, the Public Broadcasting System, Public Broadcasters and their program and other contractors. These entities shall make their records and accounts available to the General Accounting Office for review. The General Accounting Office shall protect proprietary information. Within one year of the date of enactment of this Act, the General Accounting Office shall report to the Congress its recommendations for improving the efficiency, and self-sufficiency of public broadcasting.

SEC. 12. FEASIBILITY OF MERGER WITH INTERNATIONAL BROADCASTING.

The General Accounting Office shall conduct a feasibility study of merging or coordinating public broadcasting operations and facilities or portions of operations and facilities with the international broadcasting operations of the United States government.

SEC. 13. EDUCATIONAL RATES.

Public broadcast licensees shall qualify for interstate and intrastate educational telecommunications service rates to the extent such rates are available and to the extent such telecommunications services are used for the purpose of providing public broadcasting.●

By Mr. BRADLEY:

S. 1242. A bill to authorize the National Institute of Justice to provide technical assistance to State and local

law enforcement entities, and for other purposes; to the Committee on the Judiciary.

THE NATIONAL INSTITUTE OF JUSTICE TECHNOLOGY ASSISTANCE ACT OF 1995

• Mr. BRADLEY. Mr. President, to empower citizens to take back their streets from criminals, it is vitally important that the Federal Government work in partnership with States and localities to deploy additional officers in communities around the country. However, Mr. President, equally critical to the success of State and local police forces in protecting American citizens is the commitment of the Federal Government to serve as a partner to ensure that State and municipal police officers have access to advanced technology and equipment to effectively fight crime.

Mr. President, the Department of Justice's National Institute of Justice [NIJ] provides this critical link between the Federal Government and local law enforcement agencies across the country. The mission of NIJ's Office of Science and Technology is to assist law enforcement, particularly on the State and local level, with upgrading their technological infrastructure. This involves the following functions: First, providing information on products and technologies; second, developing standards; third, testing and evaluating technologies and equipment; and fourth, research and development.

Because of the critical mission of NIJ, the legislation that I am introducing today seeks an appropriation of an increase of $10 million each for fiscal year 1996 and fiscal year 1997 to enable NIJ to continue and expand the work that it is doing to enhance the effectiveness of State and local police departments.

Mr. President, research and development conducted by NIJ is a valuable resource for State and local law enforcement agencies that are often confronted by criminals who have access to the most advanced commercial technologies. The invention of soft body armor was developed out of a NIJ project. Since 1975, when NIJ first conducted field tests in 15 cities across the country, bulletproof vests have saved the lives of thousands of officers. NIJ is also responsible for significant advances in the field of forensic science. For example, NIJ brought DNA identification to the United States and developed new fingerprinting techniques which permits officers to lift fingerprints on major fixtures in the field, without removing the fixture.

NIJ is currently developing products that will make police work safer and more efficient. For example, Mr. President, NIJ has developed a prototype rear airbag to use to control suspects in the back of a squad car with minimal disruption. NIJ has also developed a prototype retractable barrier strip to enable police to safely stop a fleeing vehicle, thereby minimizing the need for dangerous high speed chases which often result in injuries to police officers or innocent bystanders.

Mr. President, many local police departments receive no assistance in identifying technology and purchasing equipment. They operate as solo actors. For example, a local police department recently spent 8 months conducting market research before purchasing motorcycle helmets. To address this problem, NIJ has established the technology information network—a combination of a law enforcement internet and consumers report—to afford police departments around the country access to timely and objective information on new products, technologies, and systems. Moreover, NIJ has held and participated in a series of successful conferences and town meetings to initiate dialog between law enforcement, the Federal technology community, and the private sector, and is establishing purchasing consortiums to allow local police departments to obtain the best prices for technical products and equipment.

Mr. President, because the overwhelming majority of police work in America is conducted by State and local law enforcement, and only 13 percent of the crime fighting resources are controlled by the Federal Government, the answer to violence lies closer to home than to Washington, DC. With the establishment last year of NIJ's National Law Enforcement Technology Center, the agency has become the model for the decentralized relationship that exists between the Federal Government and State and local law enforcement.

The National Law Enforcement Technology Center consists of seven regional research centers throughout the country. This virtual national center serves as a focal point for law enforcement research and development and information dissemination. The regional centers are centers of excellence for respective technologies and act as regional interfaces for State and local law enforcement agencies. This decentralized structure brings NIJ's work into the field, thereby fostering a closer working relationship with State and local law enforcement. For example, the agency has established test bed programs to field test new equipment in local police departments.

Mr. President, the legislation that I am introducing today seeks an appropriation of an increase of $10 million each for fiscal year 1996 and fiscal year 1997 to enable NIJ to continue and expand the critical work that it is doing to assist State and local police departments. The legislation specifically authorizes funding to provide NIJ with the resources that it needs to identify, develop, and purchase new technologies to provide a safer environment for police officers and more effectively curb crime.

Mr. President, I have advocated a tough, comprehensive, approach to battling the menace of crime that has proliferated in our cities and towns. In authoring the Handgun Control and Violence Prevention Act, I have worked for a commonsense approach to stem the flow of illegal weapons that flood our streets and cause mass carnage. In proposing the Cop Killer Bullet Ban Act. I have sought to halt the manufacture and distribution of ammunition that is designed to kill those who are sworn to protect our communities.

Mr. President, my approach to combating crime has also been a community-oriented approach, whereby the Federal Government and local communities act in tandem to uproot and eliminate the problem. Last year, this body passed the omnibus crime law, which included the community policing initiative, an $8.9 billion program designed to put 100,000 law enforcement officers on the streets. I provided a jumpstart for the community policing initiative in the omnibus crime legislation when I introduced a bill in March 1993 that authorized a major new expansion of community policing. In addition, I authored the community schools provision in the omnibus crime law, which provides for public school buildings to remain open for youth programs after school hours, on weekends, and over summers. Moreover, this year, I have introduced legislation providing for community response teams, composed of community volunteers, to assist victims of domestic violence.

Mr. President, the work that NIJ is performing to enable police departments to more efficiently battle crime is consistent with my philosophy that together the Federal Government and local communities can share resources and crime fighting expertise to make our neighborhoods safer. The work performed by NIJ is invaluable. For example, NIJ has expanded its work in developing standards for law enforcement equipment, which will eliminate the risk of officers receiving substandard equipment. NIJ has also established a liability panel to assist law enforcement in using new technologies with a minimum of legal risk. The expansion of this work will only serve to strengthen police departments around the country as we continue to fight against crime.

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

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

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 ''National Institute of Justice Technology Assistance Act of 1995''.

SEC. 2. TECHNOLOGY ASSISTANCE.

Section 202 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3722) is amended by adding at the end the following new subsection:

''(e) TECHNOLOGY ASSISTANCE.—

''(1) IN GENERAL.—The Director shall provide assistance to State and local government law enforcement entities to identify,

select, develop, modernize, and purchase new technologies to provide a safer environment for police officers and to more efficiently and effectively fight crime.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection—

''(A) $10,000,000 for fiscal year 1996, which shall be in addition to the amounts authorized and appropriated to the National Institute for Justice for such fiscal year 1996 on the date of enactment of the National Institute of Justice Technology Assistance Act of 1995; and

''(B) $10,000,000 for fiscal year 1997, which shall be in addition to amounts otherwise authorized for the National Institute of Justice.''.●

ADDITIONAL COSPONSORS

S. 491

At the request of Mr. BREAUX, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 491, a bill to amend title XVIII of the Social Security Act to provide coverage of outpatient self-management training services under part B of the medicare program for individuals with diabetes.

S. 770

At the request of Mr. DOLE, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 1027

At the request of Mr. BROWN, the names of the Senator from Nevada [Mr. REID], and the Senator from New Hampshire [Mr. SMITH] were added as cosponsors of S. 1027, a bill to eliminate the quota and price support programs for peanuts, and for other purposes.

S. 1032

At the request of Mr. ROTH, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1032, a bill to amend the Internal Revenue Code of 1986 to provide nonrecognition treatment for certain transfers by common trust funds to regulated investment companies.

S. 1164

At the request of Mr. ROCKEFELLER, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1164, a bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

S. 1172

At the request of Mr. ROTH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1172, a bill to amend the Revenue Act of 1987 to provide a permanent extension of the transition rule for certain publicly traded partnerships.

S. 1220

At the request of Mrs. BOXER, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1220, a bill to provide that Members of Congress shall not be paid during Federal Government shutdowns.

S. 1235

At the request of Mr. COCHRAN, the names of the Senator from Alabama [Mr. HEFLIN] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1235, a bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes.

SENATE RESOLUTION 117

At the request of Mr. ROTH, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of Senate Resolution 117, a resolution expressing the sense of the Senate that the current Federal income tax deduction for interest paid on debt secured by a first or second home located in the United States should not be further restricted.

AMENDMENT NO. 2478

At the request of Mrs. FEINSTEIN, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Illinois [Mr. SIMON], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of amendment No. 2478 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2509

At the request of Mr. GRAHAM, his name was added as a cosponsor of amendment No. 2509 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2528

At the request of Mr. KERRY, his name was added as a cosponsor of amendment No. 2528 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

At the request of Mr. CONRAD, the names of the Senator from West Virginia [Mr. ROCKEFELLER] and the Senator from Kansas [Mr. DOLE] were added as cosponsors of amendment No. 2528 proposed to H.R. 4, supra.

AMENDMENT NO. 2581

At the request of Mr. JEFFORDS, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Maine [Ms. SNOWE], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of amendment No. 2581 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2589

At the request of Mr. MCCAIN, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of amendment No. 2589 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

NOTICE OF HEARING

COMMITTEE ON ENERGY RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that the full committee hearing to consider S. 1144, a bill to reform and enhance the management of the National Park Service; S. 309, a bill to reform the concession policies of the National Park Service; and S. 964, a bill to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System, which was previously scheduled for Thursday, September 14 at 9:30 a.m., has been rescheduled for Friday, September 15 at 9 a.m. in room SD–366.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, September 14, 1995, to conduct a hearing on the status and effectiveness of the sanctions on Iran.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Thursday, September 14, 1995, session of the Senate for the purpose of conducting a hearing on public broadcasting.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, September 14, 1995, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to review S. 1144, a bill to reform and enhance the management of the National Park Service, S. 309, a bill to reform the concession policies of the National Park Service, and S. 964, a bill to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System.

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

SUBCOMMITTEE ON ENERGY PRODUCTION AND REGULATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Subcommittee on Energy Production and Regulation of the Committee on Energy and Natural Resources be granted permission to meet during the session

of the Senate on Thursday, September 14, 1995, for purposes of conducting a subcommittee hearing which is scheduled to begin at 3 p.m. The purpose of the hearing is to consider S. 1014, to improve the management of royalties from Federal and Outer Continental Shelf Oil and gas leases, and for other purposes, and S. 1012, to extend time for construction of certain FERC licensed hydro projects.

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

SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Near Eastern and South Asian Affairs Subcommittee of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, September 14, 1995, at 10 a.m. and 2 p.m.

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

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information of the Committee of the Judiciary, be authorized to hold a hearing during the session of the Senate on September 14, 1995, at 2 p.m. to consider the Ruby Ridge incident.

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

ADDITIONAL STATEMENTS

THE DEBT COLLECTION IMPROVEMENT ACT OF 1995

● Mr. HARKIN. Mr. President, on Tuesday, I introduced the Debt Collection Improvement Act of 1995, S. 1234, that would reduce the Government's budget deficit by billions of dollars by clamping down on the huge amount of unpaid debts to the Federal Government.

The Government makes thousands of loans and guarantees thousands more. Most citizens, businesses, and organizations pay those loans back. Some fall on difficult times and simply cannot pay. Some could pay, but they do not do so for one reason or another. This is unacceptable. We must act to increase the Government's efforts at collecting bad debts so that law-abiding taxpayers do not have to bear this burden.

The United States has $67 billion in delinquent taxes and $49 billion in other types of delinquent receivables, most from loans and guaranteed loans. And, nontax debts have grown by nearly a quarter, $9 billion, over the last 5 years. Generally, those in the debt collection field assume that 90 percent pay in a timely manner. Seven percent pay late. And 3 percent become seriously delinquent. This amendment does not impact a person who is up to 90 days late in making payments. It is aimed at the seriously delinquent.

We must become more systematic, diligent, and aggressive in seeking payment. Clearly, the worst way to solve an unpaid debt is to not push for repayment of outstanding funds. Yet, the Federal Government is not nearly aggressive enough in going after unpaid debts.

In conjunction with the administration, Congressman HORN of California and Congresswoman MALONEY of New York introduced similar legislation last month. I want to thank Congresswoman MALONEY for all her help in working with me on this important measure. She has years of leadership on improving Government collection of outstanding debts and has conducted a significant study of the levels of delinquent debt earlier this year. My proposal is based on their measure, but I have made a number of modifications to enhance the Government's ability to recover outstanding payments. For example, this measure clarifies the Federal Government would collect debts owed to States where there was a Federal financial interest and it would help to collect delinquent court-ordered child support payments. Failure to pay child support often results in the custodial parent and the children unnecessarily falling into the welfare system.

What does this bill require? The Department of the Treasury would act as a central collection agency for nontax debts as well as performing their current role regarding tax related debts. Other agencies would refer debts over 90 days in arrears, with a few exceptions, to the Treasury Department. Exceptions include cases where an agency is already in litigation for foreclosure on property, where the case has been recently turned over to a private collection agency within 90 days or when the loan is scheduled to be sold within 90 days. There is also an exception for specific loans or loan guarantees that may be collected after the 90-day period under terms set out in specific statutory authority. The original agency could continue its own efforts to collect the delinquent debts.

The Treasury could collect unpaid obligations by offsetting Federal payments going to the person or entity. In the case of government salary or other non-means tested income checks, up to 15 percent could be garnished. Veterans payments would be exempt and the Secretary of the Treasury would be able to grant additional, but very limited, exceptions. The Treasury would also pursue a wide variety of traditional efforts to collect debts:

Private attorneys and debt collection agencies could be hired to locate hidden assets;

In order to avoid cumbersome legal statutes, the Federal Government could use administrative rather than judicial foreclosure procedures, as private creditors can now do, to foreclose on property;

Persons in default would not be able to receive new loans or loan guarantees from the Federal Government with some exceptions; and,

Payments on Federal debts would be reported to credit bureaus so those who pay and those who do not will get the credit rating that they deserve. Where a debt could not be collected, the Treasury would notify the Internal Revenue Service. Under current law, a bad debt which is written off is considered to be taxable income to the borrower. Hopefully these provisions will be added incentive to not put the Federal Government to end of the list when payment checks are being made out.

This proposal provides appropriate notice and preserves everyone's due process rights. It simply says, if you owe, you should pay. Taxpayers shouldn't be left carrying the load of those who choose not to honor their obligations.

As we move to balance the budget, it would be unfair to increase Medicare costs or cut college loans while not doing what we can to collect over $100 billion in unpaid debts.

I urge my colleagues to review this proposal. I think they will see it is a commonsense plan worthy of their support.●

SIERRA GRANDE HIGH SCHOOL

● Mr. CAMPBELL. Mr. President, too often the only thing we hear about the youth of our country is that they do not care about anything but themselves. A tiny little school of 348 kids in the San Luis Valley of Colorado proves that statement is untrue. Friday, September 15, is their homecoming and the students of Sierra Grande Schools have chosen to celebrate their citizenship of this country by having the theme: ''Land of the Free, Home of the Brave.''

The Panthers of Sierra Grande will have their football and volleyball games—hopefully being victorious—but the big moment of the day will not be the games or dance or bonfire or crowning of the royalty, it will be when the school dedicates a 65-foot flag pole and a 20 by 30 foot garrison flag trumpeting the allegiance to this great country of this school and the communities of Fort Garland and Blanca that it represents. With the 14,000 foot Mount Blanca in the background, the flag will be a reminder to all who pass the school that patriotism and pride in our country is alive and well in the San Luis Valley.

After the singing of the Star Spangled Banner and the raising of the flag, a group of four Colorado Air National Guard jets will fly over the field breaking the silence of our memory of the POWs and MIAs who gave precious life that the students might receive and enjoy the gift of democracy.

The students of Sierra Grande are to be congratulated for their reminder that there are still those who cherish the ideals of freedom and democratic choice.●

THE 80TH BIRTHDAY OF ANDREW HEISKELL

● Mr. MOYNIHAN. Mr. President, I rise today in recognition of the celebration yesterday of the 80th birthday of Andrew Heiskell, a philanthropist of the first order, a friend to the arts and humanities, and an untiring champion of our democracy and its institutions.

He was born in Naples, and so, alas, could never become President. Instead, he attended the Harvard Graduate School of Business, worked at the New York Herald Tribune, and in 1937 became science and medical editor for LIFE magazine. What follows is a career so brilliant and accomplishments so significant that among his contemporaries it has become legend.

Within three short years of his first assignment with LIFE, he became general manager. In 1946, he was appointed publisher of that magazine, and in 1949 was elected a vice president of Time, Inc. In 1959, he became a member of the board of directors, and on August 21, 1969, he became chief executive officer of Time, Inc. In 1982 he was named Publisher of the Year by the Magazine Publishers Association, and in 1986 he was inducted into the Publishing Hall of Fame.

Andrew Heiskell retired from publishing 15 years ago, and began, in effect, a second career of public service, accomplishing in a decade-and-a-half far more than most could hope to accomplish in a lifetime.

As chairman of the board of trustees of the New York Public Library he oversaw a campaign to raise over $300 million. The campaign rededicated the library's resources not only to New Yorkers, but to the Nation, and—via electronic means—to the world. As chairman of the board of the Bryant Park Restoration Corp., he led the effort to redesign and restore that oasis in midtown Manhattan, and in so doing extended the humanist tradition of the public library adjacent to it. There is no more civil space in New York City today. Heiskell made it so.

The list of his accomplishments continues. As founding chairman of the President's Committee on the Arts and Humanities, he established a new tradition of public-private partnerships in support of the arts. As president of the Harvard Corporation he presided over the sesquicentennial observances and a major fund raising drive. Earlier he had been an indefatigable member of the advisory board of the Joint Center for Urban Studies of M.I.T. and Harvard. And numerous other nonprofit organizations have benefited from his efforts, among them the Graduate Center for the City University of New York, the Vivian Beaumont Theater at Lincoln Center, the Enterprise Foundation, People for the American Way, the Brookings Institution, the Trust for Cultural Resources of the City of New York, and the Institute of International Education. For the last 5 years Andrew Heiskell's efforts have been focused on an extraordinary institution, the American Academy in Rome, which was recognized by Congress and the President in a joint resolution last year for its contributions to America's cultural and intellectual life on the occasion of its centennial. As chairman of the executive committee of the American Academy in Rome, Andrew Heiskell has guided that institution and led a $20 million capital campaign to re-endow the academy and ensure that American artists and scholars of the next century enjoy the same opportunity provided their predecessors: to be enriched by a cultural tradition measured in millennia, and on their return to enrich the culture of our young Republic.

Andrew Heiskell has proven himself a brilliant leader and a patient teacher of those who would follow in his footsteps. He is also a great friend. On the occasion of his 80th birthday, we can be thankful that he and Marian dedicated so much to the patient improvement of American life.●

COMMENDING YOUNG-LINE ''DRUG FREE'' ASSOCIATIONS, INC.

● Mr. INHOFE. Mr. President, a day does not go by that there is not a newspaper article or news story on the destructive effects drugs have on our youth. Millions of dollars are spent each year on education and prevention programs. Despite this attention, we are having incremental success in discouraging our young people from choosing this injurious lifestyle. It has been my observation that the most effective programs are those at the local level. During my tenure as the mayor of Tulsa, I strongly supported and worked with D.A.R.E. because I believe it was a program that produced tangible results.

Since my election to the Senate, I have been made aware of an organization in Oklahoma called Young-Line ''Drug Free'' Associations, Inc. which focuses on teaching youth the dangers of drug and alcohol abuse. Chief Bonnie O. Ezechukwu, who heads the Young-Line organization, has been recognized throughout the State of Oklahoma for his outstanding work. Originally from Nigeria, Chief Ezechukwu has lived in the United States for 13 years during which time he steadfastly worked to teach respect for human life, importance of self-esteem and community involvement in the lives of young people.

I want to commend Chief Ezechukwu and Young-Line ''Drug Free'' Associations, Inc. for helping young people combat potential drug and alcohol abuse by emphasizing prevention and at the same time aiding them to become worthwhile members of society. Their prevention methods go beyond teaching and focus on leadership and character development. Their work in Oklahoma has made a difference.●

WALTER A. HAAS, JR., FAMILY

● Mrs. BOXER. Mr. President, I rise today to honor the Walter A. Haas, Jr., family for its years of community service to the people of the San Francisco Bay area. As owners of both the Oakland A's and Levi Strauss & Co., the Haas family has elevated community service to the highest level.

The Haas family has been recognized over many years for the progressive corporate philosophy of Levi Strauss & Co. Levi Strauss has been heralded in publications from the San Francisco Chronicle to Fortune Magazine for its philanthropic work and community involvement. Today, I would like to recognize the Haas family for its dedication to the bay area through its ownership of the Oakland A's.

On October 31, 1995, the Haas family will officially transfer ownership of the Oakland A's, ending a 15-year stewardship of one of the bay area's most beloved sports franchises. I join the A's in recognizing the Haas family for their contribution to the team, major league baseball, and the San Francisco Bay area.

In 1980, Mr. Haas and his son purchased the Oakland Athletics ball club out of a sense of civic pride and duty. The previous owner had become convinced that the city of Oakland simply could not support a baseball team. When Walter Haas was initially contacted by community leaders about buying the team, he was not enthusiastic. He and his family had no experience running a sports franchise.

But the Haas family's love of baseball and regard for the community prevailed. The Haas purchase of the Oakland A's began 15 years of care of a community baseball team that we rarely see in professional sports today. The Haas family philosophy emphasized civic pride—they believed that the A's were entrusted to them by the community for the benefit of Oakland A's fans, players, and bay area residents. The Haas family, in their love for baseball, dedicated themselves to the values of personal excellence, development of talent, and, most of all, to the fun of the game—all qualities that make baseball the quintessential American sport.

In so doing, the Haas' brought over 3 million fans a year to the Oakland Coliseum and gave the bay area a resurgence of the former powerhouse team of the 1970's. The A's began their first season with the Haas family winning 11 games in a row and went to the playoffs. They were the American League champions 3 years in a row, from 1988 through 1990, and won the 1989 World Series in the bay area's own Battle of the Bay World Series, punctuated as we all remember by the Loma Prieta earthquake.

The Haas family has been recognized for bringing class and commitment to the Oakland A's team, as they have brought such dedication to all of their contributions to the San Francisco Bay area community. I am privileged to

stand in honor of the Walter A. Haas, Jr., family today.●

STAR PRINT OF REPORT ACCOMPANYING S. 919

Mr. LOTT. Mr. President, I ask unanimous consent that the report to accompany S. 919, the Child Abuse Prevention and Treatment Act be star printed with the changes I now send to the desk.

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

PROGRAM

Mr. LOTT. Mr. President, for the information of all Senators, the Senate will resume consideration of the welfare reform bill tomorrow morning. Under the previous unanimous consent agreement, there will be a rollcall vote at 9:30 a.m. on or in relation to the Bingaman amendment No. 2483. Following that rollcall vote, there will be a series of votes, with only 10 minutes of debate between each vote.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 10:58 p.m., recessed until Friday, September 15, 1995, at 9:15 a.m.

EXTENSIONS OF REMARKS

TRIBUTE TO THE WILSONVILLE BAPTIST CHURCH

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. QUILLEN. Mr. Speaker, I want to pay tribute to a cherished house of worship located in the beautiful Smoky Mountain foothills. On Sunday, September 17, 1995, the Wilsonville Baptist Church on Cave Church Road in Cocke County, TN, will celebrate 125 years of dedicated service to the people, to the Nation, and to God.

Since 1870, the tranquil valleys and mountain glens have echoed with mighty sermons and spirited hymns from this magnificent old church, and the messages they have instilled within the hearts of the few have been carried on to the hearts of many. With the guidance of Pastor Adam Sanders and scores of other church leaders throughout its past, Wilsonville Baptist has sent its members to honorable callings in many professions. It has sent its sons and daughters to serve with distinction in defense of America, and the church's legacy of love has made the community a better place for families to maintain the faith of tradition in living the words of the Scriptures.

Wilsonville Baptist Church is an excellent example of how good people in a free land can work and live to sow the seeds of Christian fellowship that have been the mainstay of our Nation's strength, and I only hope that more of our institutions can live up to this example.

It is with a great deal of enthusiasm and honor that I pay tribute to this symbol of community, the Wilsonville Baptist Church, and its outstanding Pastor, Adam Sanders, their members and friends.

TRIBUTE TO DR. E. CREDE HIESTAND ON THE OCCASION OF HIS RETIREMENT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. GILLMOR. Mr. Speaker, I rise today to pay tribute to an outstanding citizen and good friend, Dr. E. Crede Hiestand. Dr. Hiestand, of my hometown of Old Fort, OH, is retiring after many dedicated years of service to this community.

Crede grew up in Old Fort and attended school there. After he completed medical school, he came back to Old Fort to set up his practice. Over the years, he has gone beyond the tasks expected of him, successfully striving for the highest level of excellence and professionalism. His reputation is that of a caring, thoughtful, and intelligent friend to all who know him.

Although his shoes will be difficult to fill, Dr. Hiestand can retire with the satisfaction of knowing that his career will stand as a hallmark for others to emulate. In fact, his three sons, Daniel, Joseph, and Mathew, have all received their medical degrees.

Mr. Speaker, Crede Hiestand's distinguished career is a model of citizenship. I ask my colleagues to join me in wishing Crede, his wife, Dorothiann, and their family well as the Hiestands begin this new chapter in their lives.

A SALUTE TO CLEMENT L. BUENGER: 1995 GREATER CINCINNATI BUSINESS HALL OF FAME LAUREATE

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. PORTMAN. Mr. Speaker, I rise today to recognize a friend and prominent Cincinnatian, Clement L. Buenger, who will be inducted into the Greater Cincinnati Business Hall of Fame on September 20, 1995. We thank him for the vision and service that he has so generously given to the business community and the entire Greater Cincinnati area.

Mr. Buenger began his career in 1944 with the U.S. Navy stationed in Manila on a Navy destroyer. He served honorably in our Nation's Armed Forces for 2 years. He then attended Xavier University and graduated in 1950 with a bachelor of science in business administration.

Mr. Buenger started his financial career with Kroger in the late fifties before moving to Fifth Third Bank. Mr. Buenger then worked for about 20 years in different positions before becoming chairman of the board and chief executive officer of Fifth Third in 1989. Under his leadership, Fifth Third became a national banking force by offering innovative banking products and services. During his tenure at Fifth Third, the bank's assets grew from $569 million in 1969 to $8.8 billion when he retired in 1993. Mr. Buenger blended the unique combination of financial, technological, and people skills that were needed to move Fifth Third ahead of other banks in the latest technology.

Mr. Buenger has also brought his high caliber of leadership to many areas outside of Fifth Third. He headed the Cincinnati Business Committee's [CBC] study of the Cincinnati Public School System known as the Buenger Commission, which provided a long-term plan for revitalizing Cincinnati's public schools.

He has given his time and talent to the Cincinnati community by serving on the advisory council of the Boys and Girls Clubs of Greater Cincinnati, the advisory board of the Johnny Bench Scholarship Fund, as well as other civic groups too numerous to mention here.

All of us in Cincinnati congratulate Mr. Buenger for this well-deserved recognition of his many accomplishments. We are grateful for all he has given to Greater Cincinnati.

THE LEADERSHIP OF THE WASHINGTON AFRO-AMERICAN

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Ms. NORTON. Mr. Speaker, the District is fortunate to have as one of its leading publications the 104-year-old Washington Afro-American. The Afro is older and more revered than many of our monuments. It is a community voice of great credibility. Were it not for the Afro, some of the most important matters in the black community would go entirely uncovered. A newspaper does not live as long as the Afro has served this city unless it is serving a unique and special purpose very well.

Every time the Afro publishes, it engages in an act of leadership. I would like to enter into the RECORD an example of that leadership. It is an editorial entitled "Meeting with Newt." Many of my largely liberal Democratic constituents were suspicious when Speaker GINGRICH asked to appear at a town meeting in the District. What did this unprecedented appearance by the Republican Speaker mean? How should he be received by residents and officials? Would he help us or hurt us?

The Afro editorial tried to help D.C. residents and officials answer these legitimate questions. I urge Members to read the editorial and I submit it now for the RECORD.

MEETING WITH NEWT

D.C. residents who have an eye on the future are well aware of how important it is to pay attention to the Party that is in power.

The Republicans now control both the U.S. House of Representatives and the U.S. Senate. The Democrats only control the White House. Therefore, it would be political suicide for D.C. residents, who themselves are mostly members of a minority race, to pay attention to just one party.

It is therefore with understanding and good old-fashioned common sense that we welcome the town hall meetings now being held by the Republican Speaker of the House Newt Gingrich (R-Ga.).

We applaud Cong. Eleanor Holmes Norton and D.C. Mayor Marion Barry (both Democrats) and even the members of the City Council and the Superintendent of Schools Dr. Franklin Smith, who sat on the platform with Mr. Gingrich at Eastern High School last week.

To our knowledge, this is the first time a Speaker of the House of any party affiliation has taken the time to come out in 90 degree weather and listen to, not talk down to D.C. residents. And to his credit, Mr. Gingrich did just a little talking and a whole lot of listening. As more of these town meetings are held, we urge leaders of organizations, other ministers, and people who both live and work in this city, to come out and tell the Speaker not just our problems but some of our successes. He needs to know what is working; he needs to hear from families who for generations have had an interest in this city; he needs to know that there is a good side, as well as a bad side, to what the Republicans have planned for this city—and he needs to

know D.C. residents are depending on him to turn his party around and treat D.C. residents the same way they treat their folks back home.

Now is not the time to be quiet. Now is the time to speak out. Speaker Newt Gingrich has opened the door. The next town hall meeting should be held at the air conditioned convention center so that the minds of speakers can concentrate on what they have to say and not the heat.

Congresswoman Norton and Mr. Gingrich have a good thing going here. Let's just hope it is not all talk.

THE LOWER EAST SIDE TENEMENT MUSEUM

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Ms. VELÁZQUEZ. I rise before you today to announce the introduction of a bill that will grant the Lower East Side Tenenment Museum, located at 97 Orchard Street in my District, affiliated status with the National Park Service. I have introduced this piece of legislation in conjunction with my colleague and fellow New Yorker, Congresswoman SUSAN MOLINARI, and I trust our efforts will lead to the prompt passage of this bill.

Located on the island of Manhattan, today's Lower East Side remains what it has been for over 150 years: a vibrant, ethnic, working-class enclave welcoming America's newest residents. The earlier European communities which gave distinctive flavors to the neighborhood have been replaced by Asian, Latin American, and Caribbean residents. The immigrant lifestyle, a rich weave of interlacing threads, plays out its daily drama in an environment largely unchanged in many ways from the Lower East Side of 100 years ago. In numberous places 19th century brick tenements still line the streets—housing businesses at the street level, and families in the floors above. The Lower East Side maintains a distinct identity, whose present character harkens back to a Big Apple of yesteryear.

As a nation, we take pride in commemorating important contributions to our culture. Monuments to illustrious leaders abound; icons such as the Statue of Liberty pay homage to our ideals; log cabins and farmhouses stand as symbols of our agrarian roots. Until recently, however, the urban, working-class immigrant element of our heritage remained a historically important, yet undercelebrated sector of the American experience. The Lower East Side Tenement Museum strives to fill that niche, and Congresswoman MOLINARI and I aim to help facilitate that task.

The museum is believed to be the Nation's first to be specifically devoted to the urban immigrant experience. It is housed in an actual historic tenement, and its board members and staff have pursued the museum's mission to interpret immigrant life in the Lower East Side—and its importance to U.S. history. The museum's work has extended into the present social fabric of the Lower East Side, and the Lower East Side Tenement Museum has quickly blossomed into a nationally renowned institution. Its promotion of: tolerance, ethnic diversity, cultural, and intergenerational interaction, and urban understanding have made the museum a valued part of my community, of New York and of this country as a whole. In no other museum do the past, the present, and the future come together so perfectly, and in a few others can Americans learn so much about their past, while reflecting on the issues they must grapple daily.

The idea of a tenement museum grew out of the social history movement. The latter holds that the history of ordinary people is an important component of an accurate historical record. In the words of the museum's founder and president, Ruth J. Abram,

> We've saved log cabins, farmhouses, and the living spaces of the rich and famous. These efforts have greatly enhanced our understanding of ourselves as a nation. But we've never saved an example of the 19th century urban tenement. Without it, our perception of America, and particularly her immigrant, working-class past, is skewed and incomplete.

It is this very vision that has earned the museum such praise, and that has prompted our legislative proposal.

In 1988, the newly formed museum determined to preserve a tenement and selected 97 Orchard Street. Scanning the continuous wall of brick tenements along Orchard Street, it would be difficult to differentiate the Lower East Side Tenement Museum. It looks like all its neighbors up and down Orchard and the surrounding streets. But number 97 is remarkable. While two lower floors continued to operate as commercial space, the top four floors were sealed for decades, until the discovery by the Lower East Side Tenement Museum. Rooms, wall paper, plumbing, and lighting are preserved as they were left almost 60 years ago. Due in part, to its exceptional degree of integrity, the building conveys a vivid sense of the conditions experienced by its tenants—conditions shared by millions of tenement dwellers throughout the city.

The building also serves as an excellent material record of the results of early housing reform legislation in New York City, particularly the Tenement House Act of 1901. While living conditions on the Lower East Side declined continually throughout the 19th century, by 1900 they were so deplorable that the city passed its farthest reaching laws to regulate housing. Changes to 97 Orchard Street in 1905, which are a direct result of those laws, survive today and are still clearly chronicled in the tenement's historic fabric. The history of standards for tenement plumbing, lighting, and ventilation, and means of egress, are contained within its walls.

The legislation we have introduced today is a bipartisan effort at allowing this marvelous museum to expand its functions, and while granting it affiliated status with the National Park Service will not cause the latter to incur any costs, it will allow the museum to complement the historical trilogy of Castle Clinton, Ellis Island, and the Statue of Liberty.

The legislation has been introduced by Senators MOYNIHAN and D'AMATO in the Senate, and promises to clear that Chamber during the present session. The bill is supported by the New York State and city governments, as well as by civic leaders, small business owners, organized labor, the Wall Street community, and the National Park Service. I urge my colleagues on both sides of the aisle to join Congresswoman MOLINARI and me in sponsoring this historic piece of legislation, and giving the Lower East Side Tenement Museum its rightful place in the annals of our great Nation's history.

''VETERANS'' AND ''AMERICA, THE BEST''

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. STEARNS. Mr. Speaker, I commend these two poems to my colleagues. They were written by Ellen M. Fisher from Belleview, FL, a constituent of mine.

VETERANS

Our veterans have suffered through many struggles and strife,
To protect our American way of life.
Most of them volunteered to go in our place,
Young and old, some from every race.

They've fought in places too numerous to name.
Some we never heard about, others gained heroic fame.
No matter what the assignment, whether a task great or small,
Each and every one of them can stand proud and tall.

They sacrificed so much for us, some limbs, some sight, some lives,
So we could enjoy liberty and freedom and all that freedom buys.
We can never say thank you long or loud enough,
To erase the pain and suffering that has been so very tough.
The things we take for granted, they fought so hard for.
Have you thanked our many veterans for going off to war?

There are those who never came home from war,
And some who have never been accounted for.
The answers to these questions are known somewhere,
They didn't just vanish into thin air.

The door should never be closed on our POW's and MIA's.
While the search continues, America prays.
We want to know without a shadow of a doubt,
Of our friends and loved ones whereabouts.

Our veterans deserve much more than we give.
It's only because of them that we can really live.
They may not be perfect, but neither are we.
If it were not for their service, we wouldn't be free.

AMERICA, THE BEST

If you don't think America is the best place on earth,
If you don't want to claim it as the land of your birth,
If you can't look at the red, white, and blue, and say I love it so,
Then take a look around the world at places you might go.

Our world is made up of many countries,
Heartwarming people, beautiful terrain,
Many languages and ideals, but basically we're all the same.

There is no place on earth that enjoys the freedoms Americans have.
We can worship, work, or travel on any day of the week.
There's no one to stop us, when life's many pleasures we seek.

There have been no major wars fought on U.S. soil, and our needs are met when we are willing to toil.
We can start a new business, or work at the old,
Go in every day and do as we're told;
Or we can put out the effort, the time, and pray,
But isn't that the great advantages of the AMERICAN WAY.
Where else on earth can you say you're really free,
And sing that song of honor ''My Country Tis of Thee''?
From north to south, and east to west,
We should be so thankful that we live in *AMERICA, THE BEST.*

HONORS FOR DECORATED WORLD WAR II VETERAN

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. BOEHLERT. Mr. Speaker, I rise today to honor the memory of a great man, Albert J. Riley, who died shortly before we broke for the August recess. Al was the kind of man we don't hear enough about these days. He worked hard, raised a family, and served his community and his country.

Like many men in his generation, Al served in World War II. On his 30th mission with the 392d Bomb Group of the 8th Air Force 576th Bomb Squadron, Al was shot down and was held as a prisoner of war for 9 months. He was decorated as a war hero, receiving the Distinguished Flying Cross, the Bronze Star, the Air Medal with three oak leaf clusters and the POW medal.

When he returned from the war, he worked for the New York Telephone Co., for 35 years while he and his wife, Ann, raised a family of nine children, two of who have died. The others grew up, married, and presented Al with 12 grandchildren. After retiring from the telephone company, Al joined several of his sons in the restaurant business. Anyone who ever went to Riley's Place knows that Al's success in that business came from treating customers as though they were family.

Al was a dedicated husband, father, grandfather, brother, and friend. It's people like Al Riley who have made this country what it is today.

TRIBUTE TO ALABAMA'S BANDMASTER, DR. JOHN M. LONG

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. EVERETT. Mr. Speaker, Alabama's beloved bandmaster, Dr. Johnny Long, retires this year after three decades as director of bands at Troy State University, Troy, AL. Instead of resting on his laurels, Johnny Long has always looked to the next goal and achieved it. This motto has served him well throughout his career as I'm sure it will in retirement.

His numerous achievements include past president of the prestigious American Bandmasters Association, and recipient of the 1994 Sudler Medal of Honor from the Sousa Foundation for this many contributions to the excellence of bands and band music. Johnny Long was also elected in 1994 to the National Band Association's Hall of Fame of Distinguished Band Conductors, becoming the youngest active bandmaster to be so honored.

Dr. Johnny Long inspires an uncommon passion for musical scholarship in all he touches. Witness the fact that over his career more than 200 of his former students have become active high school band directors and college music educators throughout the United States.

To be sure, the whole Nation owes a debt of gratitude to Dr. Johnny Long on this occasion of his retirement from nearly half a century of bandmastery.

A SALUTE TO ARTHUR C. AVRIL: 1995 GREATER CINCINNATI BUSINESS HALL OF FAME LAUREATE

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. PORTMAN. Mr. Speaker, I rise today to recognize a prominent Cincinnatian and a good friend, Arthur C. Avril, who will be inducted into the Greater Cincinnati Business Hall of Fame on September 20, 1995. We thank him for the vision and service that he has so generously given to the business community and the entire Greater Cincinnati area.

Mr. Avril graduated from the Ohio State University in 1925 where he studied mining engineering. Within 3 years of graduating, he had formed one of the first ready-mix concrete plants in the United States, Avril True Batch Concrete Co.

Mr. Avril designed one of the first ready-mix trucks to use a rotary drum, which prevents concrete from settling. His company supplied concrete for many projects, including 500,000 tons used to build Cincinnati's Union Terminal in the early 1930's. This project was the first in the United States to specify concrete on the basis of its strength, rather than the proportion of its materials.

In 1936, Mr. Avril formed a new company, Sakrete, to meet the growing need for smaller quantities of concrete. The secret to Sakrete's success was Mr. Avril's ability to recognize the needs of the do-it-yourself trade for small quantities of concrete. Today, Sakrete has 80 licensed operations around the world, and is a household name recognized for quality. Mr. Avril is also an internationally known inventor. He is the holder of 18 patents, including two new patents approved this year. Still working at 94 years old, Mr. Avril personifies the American dream.

All of us in Cincinnati congratulate Mr. Avril upon his induction into the Greater Cincinnati Business Hall of Fame. It is a deserved recognition of his many accomplishments.

TRIBUTE TO THE CITY OF BLAKESLEE ON THE OCCASION OF ITS 100TH ANNIVERSARY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. GILLMOR. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to an exceptional city located in Ohio's Fifth Congressional District. This year, the city of Blakeslee, will celebrate the 100th anniversary of its founding.

Blakeslee is located in Williams County in northwest Ohio. The area has a rich history dating back to earliest settlements in the Ohio territory. Its position above the St. Joseph River made it a favorite for pioneers traveling West. The city itself dates from its incorporation in 1895.

Today, Blakeslee is a community renowned for its civic pride and commitment to service. Throughout its history there has never been a lack of enthusiasm or volunteer labor for its many projects. The citizens have continually displayed the Ohio tradition of neighborliness and caring for others.

Mr. Speaker, anniversaries are a time to reflect upon past accomplishments. They are also a time to look toward new horizons. I ask my colleagues to join me today in recognizing the history and achievements of the city of Blakeslee and encouraging its citizens to continue to uphold its impressive legacy.

HONORING THE WINNERS OF HISPANIC INDEPENDENCE AWARDS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to the Hispanic Independence Awards Ceremony that will be held on Saturday, September 16, 1995, at the General Motors Institute in my hometown of Flint, MI.

September is National Hispanic Heritage Month and the Hispanic Independence Awards Ceremony kicks off a month-long celebration of Hispanic culture, ideas, and achievements in Genesee County. The Hispanic community will once again honor individuals who have selflessly committed themselves to making Fling and Genesee County a better place in which to live.

Each award is named for a prominent deceased member of the Hispanic community who exemplified the ideas espoused by the award. The Pedro Mata Leadership Award is given to a person who has provided leadership, encouragement, and influence in the Hispanic community. This year's recipient is Mrs. Guadalupe ''Lupe'' Morgan. The Tano Resendez Award for community service is given to a person who has dedicated personal efforts to promoting civic and cultural activities. The award this year is being given to Mrs. Juanita Diaz. The Joe Benavidez Award for education is presented to a person who has supported educational issues relating to Hispanics of all ages, Mrs. Ana Maria Hufton is this year's recipient. The Labor Involvement Award is being given to Mr. Juan Diaz for his

efforts to increase community awareness, improve the quality of life, and open doors for Hispanics. The Bruno Valdez Arts and Entertainment Award is presented to a Hispanic artist who has promoted Hispanic culture through professional and personal activity. The award this year is being given to Mr. Eddie Soto. The Veterans Award is given to a member of the Hispanic community who has honorably served in the U.S. Armed Forces. Mr. Tom Torres is being honored with the award this year. Mr. Armando J. Singer will be given the Maria DeLeary Award. This year the Hispanic community pays tribute to those individuals who are not of Hispanic dissent, but play a major role in improving life for Hispanics in Genese County. This year the recipients are Mrs. Sue Burnash Quintanilla, and Mrs. Lois Laughlin. The Migrant Farm Worker Award recipients, Mr. and Mrs. Dale Nelson, are being recognized for their selfless service to the migrant workers.

To honor those of the Hispanic community just starting to pursue their life goals, the Pedro Mata, Jr. Scholarship Award will be given to Mr. Carlos Lambaria. The purpose of this award is to foster a commitment to community service and encourage continued education.

Mr. Speaker, it is with great pride that I rise today and ask my colleagues in the House of Representatives to join me in congratulating the winners of these awards. The recipients are to be commended for their dedication, commitment, and leadership to the Hispanic community of Flint and Genesee County.

HAPPY BIRTHDAY—SHARE NEW JERSEY

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. PAYNE of New Jersey. Mr. Speaker, I would like to bring to the attention of my colleagues an important benchmark. It is the 10th anniversary of the founding of SHARE New Jersey. SHARE New Jersey is a self-help food distribution system. It was established to bring people of diverse backgrounds together to eliminate hunger in New Jersey, help build stronger communities, and develop leaders.

The program was founded as a means of eliminating hunger and providing participants with the opportunity to assist one another in local communities. Realizing that the self-help concept would make a difference in the quality of life of many people, SHARE membership was open to all who were willing to pay a small fee of $12 to $14 for food and commit to 2 hours of volunteer service.

The first SHARE New Jersey food distribution was held in September 1985 in Newark; 1,900 households participated in the distribution of over 75,000 pounds of food. Since 1985, 1,121,477 households have received wholesome food and 2,242,954 community service hours have been provided. In just 10 years, 33,644,310 pounds of food has been distributed by SHARE New Jersey.

Mr. Speaker, I offer my congratulations and best wishes to the people of SHARE New Jersey who have helped to eliminate hunger and create a spirit of partnership.

MEDICARE PATIENTS DESERVE FULL CHOICE OF HEALTH CARE PROVIDER

HON. SHERROD BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. BROWN of Ohio. Mr. Speaker, the Congress is about to embark on major reforms of the Medicare Program—ostensibly to ensure Medicare patients more choice. But I believe that the reforms we will be considering will offer patients less choice, not more, unless we take action to ensure that their choices are protected.

Many of the so-called reform plans include efforts to increase the use of managed care for Medicare patients. I believe that these plans must include safeguards to protect Medicare patients' ability to choose the person who provides them health care services. For this reason, today I am introducing legislation to guarantee older Americans a point-of-service option under Medicare managed care plans.

The Medicare Patient Choice Act provides true choice by allowing Medicare patients to go outside of a network when they need services. In addition, the bill would establish safeguards under managed care arrangements to ensure that patients are treated fairly and that they have recourse if they are dissatisfied with the care they receive. In addition, the bill prohibits the use of financial incentive plans which discourage providers to refer patients for specialty or other types of health care services.

Further, this legislation ensures that patients get what they pay for under managed care arrangements by requiring plans to return to patients at least 85 percent of the aggregate premiums received in health care items, services, and treatment. Finally, the legislation would apply its requirements to the so-called Medicare Select plans.

Mr. Speaker, I believe this legislation provides essential protections for Medicare patients and I hope that many of my colleagues who are concerned about the quality of health care provided to senior citizens will sign on as cosponsors. A summary of the legislation follows:

SUMMARY OF THE MEDICARE PATIENT CHOICE ACT INTRODUCED BY CONGRESSMAN SHERROD BROWN

The Medicare Patient Choice Act would:

Require all Medicare managed care organizations (MCO) as a condition of participating in Medicare to offer enrollees a point-of-service option.

Require MCOs to meet a loss-ratio (aggregate benefits to premiums) of 85 percent.

Require MCOs to issue an annual report to members providing quality, access to services, enrollee's rights to benefits and out-of-area coverage.

Assure beneficiaries timely access to services, continuity of care and the option to receive care out-of-the network.

Establish grievance and appeals processes for both patients and providers if they have a dispute with the MCO.

Prohibit MCOs from discriminating against certain providers based solely on their license or certification as provided under state law.

Ensure that Medicare network health plans include a sufficient number, mix and distribution of health professionals to meet the needs of their enrolled patients.

Apply conditions of the Medicare Patient Choice Act to all Medicare Select plans.

Apply all requirements of physician incentive plans under current law to all providers participating in Medicare managed care plans.

TRIBUTE TO REV. WARDELL NEWSOME, SR.

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. RUSH. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to Rev. Wardell Newsome, Sr., member of the New Galilee M.B. Church under the pastorage of Rev. Charlie Murray in Chicago, IL.

For decades Reverend Newsome has exemplified the dedication and commitment required to better our communities and the citizens who reside there. His work as both a social and a spiritual religious leader began at the early age of 13 when he was baptized at St. Matthews Baptist Church in Marvell, Arkansas. Later, when he came to Chicago, he accepted his call into the ministry and joined the Mt. Moriah Baptist Church under the pastorage of Rev. O.C. Nicks. Reverend Newsome brought to the ministry and to the people of Chicago a compassion and dedication to service, empowerment, and spiritual awareness that still benefits us greatly to this day.

Mr. Speaker, on Sunday Rev. Wardell Newsome, Sr. will be honored for the decades of service he has given to his ministries and to his community. Today, I would like to make sure that all he has contributed to this country and our communities is recognized, appreciated, and honored on the floor of this House. I am honored to enter these words of commendation into the RECORD.

TRIBUTE TO WILLIE GRACE CAMPBELL

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Ms. HARMAN. Mr. Speaker, I rise today in tribute to a good friend and a dedicated fighter for women's rights on the occasion of her 80th birthday. As someone who has reached the age of 50, I can appreciate what it means to reach 80. But what truly amazes me is what Willie has accomplished in those 80 years. Let me relate just a few of those accomplishments.

Willie has played a vital role in the development of the League of Women Voters. She rose to the national board of the league in 1959. From this position she directed the league's inner-city voter registration drive, and chaired the league's education fund. Four years after her term as a boardmember, she founded and became the first chair of the League of Women Voters' Department of Litigation.

Willie's dedication to public service has also led her to achieve a great deal in other forums. She has fought from women's rights

and civil liberties, serving as a boardmember for the Constitutional Rights Foundation and founding the Center for Women and Girls in Los Angeles. She has been president of the National Women's Education Fund, and has served on the Los Angeles Commission on the Status of Women. Willie has hardly slowed down: she founded the Institute for Women, Law, and Development, on whose board she currently sits, just 3 years ago. At the same time, President Clinton appointed Willie vice chair of the African Development Foundation.

Mr. Speaker, Willie Grace Campbell has set a superb example for each of us to follow, leading an active, successful, and socially responsible life for 80 years. It gives me great pleasure to join her friends, colleagues, and those whose lives she has touched in paying her tribute, and wishing her many more productive and happy adventures.

TRIBUTE TO RICHARD M. KELLEY

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. LEVIN. Mr. Speaker, I rise today to recognize Richard M. Kelley, chairman of the board of directors of Catholic Social Services of Wayne County. Dick Kelley has served as chairman of the board since 1993, as vice chair from 1991 to 1993, and during that time, also served on many board committees.

Dick Kelley's outstanding service and commitment to his community is exemplified by his volunteer work with not only Catholic Social Services of Wayne County, but also the Detroit Area Council of the Boy Scouts of America, of which he serves as vice president, Oakland Family Services, and Life Directions.

As a University of Detroit graduate, Dick Kelley has dedicated himself to Metro-Detroit. I commend him for his many years of tireless and selfless work on behalf of all people. The community shares its admiration for Dick Kelley with his wife Cecelia and his two children, Kristen and Rick.

My sincerest best wishes for Richard Kelley, and gratitude for his years of service to the community.

U.S. PRODUCTION OF WHEAT GLUTEN DECLINES

HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. TIAHRT. Mr. Speaker, I want to express concern about a serious problem that is rapidly destroying the United States vital wheat gluten industry and has reverberating effects on U.S. agriculture.

Wheat gluten is natural protein that is used principally for its cohesive qualities in bread products, especially in multigrain and high fiber breads. U.S. producers of this unique product are barely existing due to overwhelming competitive advantages that are allowing their counterparts in the European Union to seize an alarming share of the U.S. market. These advantages include European government incentives and a lopsided tariff system that heavily favors the European gluten industry.

As U.S. production of wheat gluten declines, so does the requirement for domestically grown high protein wheat. This situation, therefore, threatens to wipe out a premium, value-added market that farmers in our country rely on.

I urge immediate attention to this problem and call for strong efforts to resolve it before the American wheat gluten industry becomes extinct.

OKTOBERFEST—OFFICIALLY

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. BARCIA. Mr. Speaker, as we await the start of fall, many of us get anxious about Oktoberfest, the German festival that celebrates food, friendship, and the bounty of a good harvest. This rich tradition has been celebrated by the city of Frankenmuth, within my congressional district, officially since 1989.

And this year, from today, September 14, through September 17, the sixth celebration becomes even more special because the Frankenmuth Oktoberfest has been officially sanctioned by the city of Munich—the first time any Oktoberfest has been officially recognized anywhere outside of Germany.

On August 26, Herr Herman Memmel, member of the Munich City Council; and Bavarian State Parliament, presented to Annette Rummel, president of the Frankenmuth Chamber of Commerce and Oktoberfest the Document of Ennoblement, officially naming the 1995 Frankenmuth Oktoberfest as the first Oktoberfest in the world to officially operate under the auspices of the city of Munich.

The hard working and heritage proud people of Frankenmuth revel in their upholding of Bavarian traditions, celebration of Bavarian food and beverage, including its own award winning beers from the Frankenmuth Brewing Company, and are synonymous with the spirit of hospitality—gemutlichkeit—that helps all visitors to Frankenmuth fondly remember their all too short visits to this wonderful community.

From the time of Crown Prince Ludwig who began the Oktoberfest with his wedding to Princess Theresia in 1810, when King Max I Joseph proclaimed a festival in four locations in Munich, today when Oktoberfest means the celebration of community and success, a proud tradition has been created. Frankenmuth is proud and honored to be an official partner in Oktoberfest, and proudly display the sign beckoning ''Wilommen'' to all of our colleagues and the thousands of visitors that grace Frankenmuth each year.

CONGRATULATING THOMAS F. KEYES, JR., ON THE CELEBRATION OF HIS 80TH BIRTHDAY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Ms. DELAURO. Mr. Speaker, on Friday, September 15, I have the pleasure of joining one of Connecticut's most well-known and respected citizens, Thomas F. Keyes, Jr., for the celebration of his 80th birthday. A long-time resident of New Haven, Mr. Keyes has earned the admiration of his community for his career as a distinguished judge, committed public servant, and a premier trial attorney. Thomas Keyes is a man who lives life to the fullest extent. He is a walking encyclopedia of over 50 years of spectacular history which he recounts on Saturday mornings over bagels and coffee at the Bagel Connection on Grove Street in New Haven. The Saturday morning regulars, like New Haven Fire Chief Smith, Judge Reynolds, and Judge Flannigan, consider him one of the best storytellers in town.

Tom was born and raised in New Haven. In 1933, he graduated from Hillside High School. He went to college at Yale and graduated from Yale Law School in 1940. During World War II, he served in the Army, and was stationed in Presque Isle, ME. Tom managed to come home for the weekends to New Haven on an almost regular basis. He went into public service like his father, Thomas Keyes, Sr., who was the New Haven Registrar of Voters for over 30 years. During the 1950's Tom junior spearheaded the effort to provide legal services for the poor as director of legal services in New Haven. In 1965, he was appointed by the mayor of New Haven as the city's corporation counsel where he served for 9 years. Tom was elected a probate judge of New Haven in 1974, and remained probate judge for 11 years until he was succeeded by his son John ''Jack'' Keyes. Now living in Madison, Tom has time to pursue golf and watch Yale football.

Tom Keyes and his deceased wife Josephine have five children. Thomas Keyes III is a professor at Boston University, John Keyes is the New Haven probate judge, Bernadette Keyes is a practicing lawyer, Joan is a writer, and Julie has her own crafts and ceramics business. The DeLauro and Keyes family have been very close for many years. My mother worked for Judge Keyes when he was a New Haven probate judge and now works for his successor, and son.

I would like to extend my sincere congratulations to Judge Thomas F. Keyes, Jr., on the celebration of his 80th birthday. It is an honor to join in this celebration. I wish a happy birthday to a model citizen and a long-time family friend.

FEDERAL REPORTS ELIMINATION AND SUNSET ACT OF 1995

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. EHRLICH. Speaker, today I offer the Federal Reports Elimination and Sunset Act of 1995, which streamlines Federal reporting requirements by cutting and reforming more than 200 congressionally mandated reporting requirements. This bill continues the positive work started earlier this session by the conferees for the Paperwork Reduction Act. Originally part of the Senate-passed version of the Paperwork Reduction Act, it was agreed in conference, that these sections merited separate introduction as freestanding legislation. I offer this bill as a companion to S. 790, which

recently passed the Senate. I have the utmost confidence that the President will want to sign this important piece of legislation into law because it allows executive branch agencies to focus more resources on important current issues as opposed to focusing on outdated and unnecessary reporting requirements.

This bill was sent to both the chair and ranking members of all House and Senate committees to illustrate the broad bipartisan support for this bill and generate the vast list of reports that are slated to be eliminated or modified. The response by both the majority and minority has been overwhelmingly favorable. The Congressional Budget Office estimates that enactment of this legislation could result in savings of $5 to $10 million even before additional savings from the sunset provision are factored in.

The sunset provision eliminates those reports with an annual, semiannual, or regular periodic reporting requirement 4 years after the bill's enactment, while allowing Members of Congress to reauthorize those reports deemed necessary for carrying out effective congressional oversight. This provision does not apply to any reporting requirements under the Inspector General Act of 1978 or the Chief Financial Officers Act of 1990.

I urge my colleagues to cosponsor this bill and lighten the red tape burden on executive branch agencies so that our Government can operate with fewer restrictions and greater efficiency.

TRIBUTE TO QUEEN ELIZABETH JAMES

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. PAYNE of New Jersey. Mr. Speaker, I would like to bring to the attention of my colleagues, a special occasion that is taking place in New Jersey this Sunday, September 17. It is the recognition of a great American, Queen Elizabeth James, known affectionately as ''Queenie.'' She is being honored for her tremendous contributions to the civic and political communities of America.

Queen E. James has been active in the city of Newark, the county of Essex, and the State of New Jersey. Today, the term ''diversity'' is being used more and more to describe elements and relationships of our complex society. Queenie James is an able example of diversity at work. She has been a successful entrepreneur, an elected official, a political and civic leader, all the while being a dedicated daughter, wife, mother, and grandmother.

She has dedicated herself to making positive changes for those she serves. And she has served well. She has committed 32 years of her life to serving her local community as a county committeewoman. She has served in the leadership of the South Ward Democratic Organization as well as the Essex County Democratic County Committee. The New Jersey Real Estate Commission has benefited from her service as a commissioner.

Mr. Speaker, I am sure my colleagues will want to join me as I congratulate and thank Queen Elizabeth James for her dedication to making life better for so many.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

SPEECH OF

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

The House of Committee on the Whole House on the State of the Union had under consideration the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes:

Ms. PELOSI. Mr. Chairman, I rise today in support of the DeLauro substitute to the Dornan amendment. I oppose the Dornan amendment, which prohibits any funds from being used to perform abortions in military medical facilities except in the case of life endangerment of the mother.

American women are guaranteed the constitutional right to obtain safe and legal abortions. The restrictive language in the Dornan amendment is obvious in its intent to deny that right to women who selflessly serve this country overseas. This is unjust and unreasonable.

The health and safety of women is clearly threatened by the Dornan amendment. Denying women the opportunity to obtain a safe abortion from qualified doctors in a military hospital does not mean they will decide against abortion. Instead, we will see them seeking abortions in an unfamiliar, foreign environment where the opportunity to be treated by a skilled medical professional is not available.

This amendment, as so many others we have seen in the course of this Congress, sacrifices the health, safety, and constitutional rights of women to further a pro-life agenda.

I urge my colleagues to recognize the rights of American servicepeople and their families. Oppose the Dornan amendment and support the DeLauro substitute and women's right to choose.

FEDERAL ACQUISITION REFORM ACT OF 1995

SPEECH OF

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes.

Mr. NADLER. Mr. Chairman, I rise today in support of this amendment to eliminate this unwarranted subsidy for defense contractors.

Every year, U.S. taxpayers spend more than $30 billion to develop weapons systems for the military. That Federal spending has led to the creation of the most technologically advanced military in the world, armed with Stealth bombers, Tomahawk missiles, and supersonic attack aircraft. Throughout the cold war and especially during the 1980's, this country sacrificed funding for education, nutrition, biomedical research, and health care in order to support a bloated Defense budget.

Unfortunately, we see that trend continuing this year with cuts in nearly every social program, including Medicare and Medicaid, while increasing spending by $2.1 billion for the military.

Now, we see that some in Congress would like to toss our costly investment out the window by allowing foreign countries to benefit from the technological advances, made through taxpayer funded R&D, without having to pay for it. When U.S. defense companies sell their wares abroad, the United States has a right to be compensated for our help in developing their weapons. In the past 5 years, that dividend has amounted to nearly $1 billion in deficit reduction for the United States. Are we really willing to throw away a billion dollars of our constituents money at time when we say we want to balance the budget? Are we going to ask veterans to endure cuts in their benefits, while at the same time voting for the Nation's wealthiest defense contractors? I say ''no.'' The Citizens Against Government Waste, who supports this amendment, say ''no.'' And most importantly, the military retirees, whose benefits will be slashed to pay for this subsidy for arms merchants, say no. I urge my colleagues to support the Maloney, DeFazio, Berman amendment.

THE UNITED STATES MUST STAND WITH TAIWAN

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. KING. Mr. Speaker, the Clinton administration's decision to have the First Lady attend the Women's Conference in Beijing would be troubling enough under any circumstances. Not only does China's Communist Government routinely trample the human rights of all its citizens—male and female—it also felt compelled to execute 16 political dissidents in preparation for this conference. Very simply, the administration has allowed itself to be maneuvered into providing the veneer of moral respectability to an outlaw regime such as the People's Republic of China [PRC].

Even more troubling, however, is the doubt which this decision casts on the willingness of the United States to resist mainland China's increasingly aggressive actions against Taiwan. The Republic of China fought side by side with the United States in World War II and continued to be a loyal ally of the United States after Chiang Kai-shek evacuated his forces from the Chinese mainland and moved the Government of the Republic of China to Taiwan in 1949. It has also become a free-market economic powerhouse. Taiwan is the United States' seventh largest trading partner, has more than $80 billion in foreign exchange reserves and, even though its population is 50 times smaller, has a GDP comparable to mainland China's. Taiwan also has strong defense forces, lacking only sophisticated fighter jets and anti-missile systems.

Taiwan's greatest achievement, however, has been its attainment of an open, democratic society. For years Taiwan had a closed political system. Martial law was lifted in 1987, however, and Taiwan now has a robust political system, with a particularly combative National Assembly. In March 1996 the President,

heretofore elected by the legislature, will be elected by popular vote. This will mark the first time in the history of China that a President has been democratically elected.

Unfortunately, but not unexpectedly, Taiwan's economic might and its embrace of democracy have enraged the PRC which has reacted aggressively. Economically, for instance, the PRC has been able to delay Taiwan's admission into GATT. Diplomatically, the People's Republic insisted that the United States not allow Taiwan's President Lee Teng-hui to enter our country, even on a private visit. True to form, earlier this year the State Department capitulated and denied President Lee's request to visit his alma mater, Cornell University. Fortunately, the House of Representatives overwhelmingly adopted a resolution supporting President Lee's visit and President Clinton overruled the State Department, granting President Lee a visa to speak at Cornell this past June.

The PRC's response to President Lee's visit has bordered on the hysterical. Besides recalling its Ambassador from the United States and unleashing vicious propaganda tirades against President Lee, the PRC has conducted provocative military exercises off Taiwan's coast, including test-firing missiles in the East China Sea just 80 miles north of Taiwan. The PRC is planning further missile testing and naval maneuvers near Taiwan.

Clearly the PRC is attempting to use the threat of invasion to intimidate the people of Taiwan into rejecting President Lee and adopting a docile foreign policy. If the PRC is successful in carrying out this extortion and subverting the democratic process in Taiwan, the United States will only be encouraging further PRC aggression in the region against Japan and the Philippines and we will be severely marginalized as a Pacific power. In short we will have allowed the PRC to establish Asian hegemony. To avert this moral and diplomatic catastrophe, the administration must: First, make it clear that any military action against Taiwan will result in a worldwide embargo and diplomatic isolation of the PRC; second, expeditiously complete the delivery of the 150 F–16 fighter jets already purchased by Taiwan; third, provide anti-missile systems to Taiwan; and fourth, reinforce our policy of granting visas to Taiwan's elected officials. Additionally, the Congress should promptly adopt House Concurrent Resolution 63 introduced by Representative GERALD SOLOMON which would urge Taiwan's admission into the United Nations. The bottom line of America's China policy must be the recognition that the PRC needs us more than we need them. As President Nixon said shortly before his death ''the Chinese will not launch a military attack against Taiwan as long as Beijing knows such an action would jeopardize their relationship with the United States.''

Last month I had the opportunity to meet with President Lee in Taiwan. He is an impressive leader who is clearly committed to democratic principles. As the world's leading democracy, the United States must stand with democratic nations in their time of peril. By standing with the Republic of China on Taiwan at this time, the United States will be acting in our best traditions and strengthening the cause of peace and stability in the Pacific.

HONORING DR. ALEXANDER IBE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. KILDEE. Mr. Speaker, I rise today to honor the recipient of the 1995 Golden Door Award, Dr. Alexander Ibe. Dr. Ibe will receive the award at the annual dinner meeting of the International Institute of Flint on Tuesday, October 11.

The International Institute of Flint presents this award annually to a foreign-born citizen who has substantially improved life in the Flint community. Dr. Ibe has worked tirelessly since his arrival in the United States in 1979 to help African immigrants and others.

Dr. Ibe was born in Nigeria the son of Chief Alphonsus Ibe and Justina Ibe. He is the fourth of seven sons. After immigrating to the United States he helped bring three brothers to live permanently in this country. In addition to helping his family immigrate. Dr. Ibe has been tireless in his efforts to help African refugees realize their dreams of living in the United States free of persecution.

The list of Dr. Ibe's accomplishments is long. As president of the African American Association of Greater Flint he raised money to aid Liberian refugees. He fought deportation of Africans and provided relief to those in financial need. He raised money for scholarships and even paid the college tuition for needy students out of his own pocket. He has devoted his time and expertise to developing African cultural presentations. School children throughout Genesee County have gained a greater knowledge of the contributions Africans have made to the world through these programs. He has volunteered for the past 6 years to organize the international institute's African festivities.

In addition to his volunteer work for the international institute, Dr. Ibe serves as a minister of the Word at St. Michael's Catholic Church and is currently raising money for the Our Mother of Africa chapel at the National Shrine in Washington, DC. When he is not volunteering his time to various causes, Dr. Ibe is a medical research scientist. He recently completed a study of cystic fibrosis. With his wife Carolyn, he has two children, Alexander Merenini Ibe II and Crystal Ndidi Ibe.

Mr. Speaker, I ask the Congress to rise with me today to honor this great American. My hometown of Flint has benefited innumerable times from the contributions of Dr. Alexander Ibe. We are a better world because of his compassion.

IN HONOR OF LOUIS KEITH DUMAS

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. FAZIO. Mr. Speaker, I rise today to honor Louis Keith Dumas, the executive director of the Sacramento Air Logistics Center [ALC] at McClellan Air Force Base. Mr. Dumas will be retiring this year after more than 30 years of distinguished service to the Federal Government and principally the Department of the Air Force.

As executive director, Mr. Dumas is second in the Sacramento ALC chain of command. When acting in the commander's name, he exercises broad management authority over all center operations. The Sacramento ALC has program management substainment responsibilities for designated aircraft and communications-electronic systems, and employs about 13,500 civilian and military personnel. Mr. Dumas has clearly distinguished himself during his long career with the Air Force, but his most significant accomplishments may have taken place through his leadership and innovation in the high-technololgy field. He worked to establish the Sacramento ALC's software engineering division; this has placed the center in the elite company of approximately 9 percent of the software practitioners and managers in the United States, and among only a handful of Government software activities. Through Mr. Dumas' personal direction, the Sacramento ALC accomplished a realignment of all the center's software efforts and combined them in a single software engineering division with a clear mission of becoming the Department of Defense's software engineering center of excellence.

Mr. Dumas has looked beyond national borders to further Air Force initiatives. The Air Force and DOD have selected the very high speed integrated circuit [VHSIC] hardware description language, or VHDL, as its standard. Sacramento ALC has pioneered the insertion of VHSIC multichip modules into fielded weapons systems. Mr. Dumas initiated and directed a reverse engineering design project for the British Royal Air Force [RAF] to demonstrate this technology. As a result, the RAF has adopted the VHDL as its standard in place of a particular language which the British were developing.

As a strong proponent of the dual-use concept, I am particularly impressed with Mr. Dumas' work in this area. Mr. Dumas, myself, and others have worked to establish a casting emissions reduction program [CERP] at McClellan AFB. This program is a partnership between McClellan AFB and the big three automakers to develop an environmentally complaint foundry and associated foundry processes for the DOD and the automakers. Metal casting has critical defense relevance; almost 90 percent of all manufactured parts for DOD contain castings. This agreement could ultimately revitalize the foundry process. Related to dual use is Mr. Dumas' strong promotion of interservicing as the business of the future by supporting Army, Navy, and Marine customers, and other Government agencies in the Sacramento ALC's technical centers of excellence.

I join my colleagues today in honoring Louis Keith Dumas for his many years of outstanding service to the Air Force, the Department of Defense, and our Nation. Mr. Dumas and his wife, Dolores, have been married nearly 40 years and have three children and a granddaughter. I wish Mr. Dumas and his wife continued success in all their future endeavors.

TRIBUTE TO JAMES KELLEY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to a close personal friend from my district, the Honorable James P. Kelley. This year, Jim will retire from his position as Northumberland County Commissioner, a post he has held with the highest distinction for almost a quarter of a century.

Once in a very great while, an individual not only surpasses the requirements expected of him as an elected official, but actually transforms the nature of his office to embody a greater ideal. Jim Kelley is such an individual. He not only served as an excellent county commissioner, but by his service, he changed the very definition of being a county commissioner. His extraordinary compassion, his impeccable integrity, his tireless efforts to improve the economic condition of his county, and his masterful skill at governing made Jim Kelley the epitome of what a public servant can and should be.

A banker for 22 years, a funeral director for 35 years, Jim was first elected to serve Northumberland County as a commissioner in 1971. Jim served as chairman of that board for five of his six consecutive terms of office. A respected community leader, Jim is responsible for the information of the Northumberland County Area Agency on Aging. During his leadership, the County Human Service Agency achieved a No. 1 national rating. He was the first chairman of the Central Region Training Service.

Jim was appointed by Gov. Bob Casey to serve 8 years on the Pennsylvania Infrastructure Investment Board. He has been honored by his party as both Northumberland County Democrat of the Year and Pennsylvania Democrat of the Year.

Jim's leadership in Northumberland County is legendary throughout the Commonwealth of Pennsylvania. He has earned the admiration and respect of us who have been fortunate enough to have worked with him. Mr. Speaker, as Commissioner James P. Kelley steps down, he leaves behind a tradition of excellence and service which will be difficult to replace. He has devoted a lifetime of service to the people of Northumberland County, and that service will be felt for many more years to come. I am pleased to bring to the attention of my colleagues the accomplishments of my good friend, Jim Kelley.

INTRODUCTION OF THE TAXPAYER BILL OF RIGHTS 2

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, I am pleased to introduce the Taxpayer Bill of Rights 2. This legislation will help safeguard the rights of taxpayers in dealing with the Internal Revenue Service [IRS].

The Taxpayer Bill of Rights does not involve the substantive provisions in the Internal Revenue Code which determine a person's tax liability. The subject matter does not involve capital gains or depreciation rules. The nature of the subject matter involves the procedural rules and IRS operational practices which apply during the examination of tax returns and the collection process. Many times these rules and practices can have as much importance to the taxpayers as the substantive provision in the tax law from which their liability arises.

The original Taxpayer Bill of Rights was enacted as part of the Technical and Miscellaneous Revenue Act of 1988. While this action was helpful, there was a general consensus that more could be done to protect the rights of taxpayers.

The Subcommittee on Oversight sought to develop a Taxpayer Bill of Rights 2 during the 102d Congress. It developed a package of recommendations for taxpayer safeguards which eventually was introduced as H.R. 3838 in November 1991. A Taxpayer Bill of Rights section, based on H.R. 3838, was included in H.R. 11 the Revenue Act of 1992, which was vetoed by former President Bush.

The Subcommittee on Oversight held a hearing on March 24, 1995, to investigate what additional taxpayer safeguards were appropriate in order to provide citizens more evenhanded treatment in their dealings with the IRS. In addition, the subcommittee staff reviewed numerous communications from taxpayers which described their experiences with the IRS and reinforced the position that a Taxpayer Bill of Rights 2 was needed. The subcommittee's recommendations are a combination of many of the provisions which were developed in the 102d Congress, as well as a number of new initiatives.

The bill that Representative MATSUI and I are introducing today reflects the narrative recommendations which the Subcommittee on Oversight unanimously approved on September 12, 1995. For example, the bill would make it easier for taxpayers who win their cases against the IRS in Tax Court to collect attorney's fees. Under current law, not only does a taxpayer have to prevail against the IRS to collect attorney fees, but she must also prove that the IRS was not substantially justified in pressing its case against her. The bill shifts the burden to the IRS of proving that its position was justified. This is consistent with the judicial principal that the party in control of the facts should bear the burden of proof. Who knows better than the IRS why it pressed its case against the taxpayer?

Another major area is the treatment of separated or divorced taxpayers. Under current law, married couples who file a joint return are each fully responsible for the accuracy of the return and for the full tax liability, even though one spouse may have earned the income which is shown on the tax return. This is known as joint and several liability. Spouses who wish to avoid this joint and several liability feature may file as a married person filing separately.

The subcommittee learned of many instances where divorced taxpayers who had previously signed a joint tax return during their marriage were treated harshly when the IRS later disputed the accuracy of their joint tax return. In many cases the IRS tried to collect the entire amount of taxes from the wife, even though the omitted income or erroneous deductions which caused the deficiency were attributable solely to her former husband. All too often, the woman, being pursued for payment of taxes due, was not aware that a tax return filed during the marriage had been audited or that a deficiency had been imposed on the return.

In an era where almost 50 percent of marriages end in divorce, this problem is contributing to the growing perception that the tax system is unfair. The time has come to reexamine the joint and several standard of liability and consider replacing it with a proportionate liability standard, where each spouse would be responsible for the taxes on that portion of the income which he or she earned.

However, replacing the current standard would be changing over 60 years of established practice and so the subcommittee concluded that it did not have information about all the ramifications of such a change to include it in the bill. What the bill does do is direct the Department of the Treasury and the General Accounting Office to conduct detailed studies examining possible changes to the joint and several liability standard in order to better protect the rights of separated or divorced couples. These studies are due within 6 months and I believe they could be a prelude to further legislative action in the 104th Congress.

A brief sample of the bill's other features includes: First, allowing taxpayers who have been the victim of reckless collection actions by the IRS, to sue the IRS for up to $1 million in damages, up from the current ceiling of $100,000; second, giving the IRS the authority to withdraw tax liens and return seized property when it would be in the best interest of the taxpayer and the Government; third, creating a civil cause of action for damages for taxpayers who have been harmed by fraudulent information returns; and fourth, requiring the IRS to send out annual reminders to taxpayers with outstanding tax obligations. This will alert taxpayers that the IRS has not forgotten an old tax liability.

Mr. Speaker, the public may never be thrilled about the fact that they must pay taxes to the Government. But the Taxpayer Bill of Rights 2 should at least give them more leverage and ammunition in dealing with the IRS.

Thursday, September 14, 1995

Daily Digest

HIGHLIGHT

House passed Federal acquisition reform bill.

Senate

Chamber Action

Routine Proceedings, pages S13555–S13626

Measures Introduced: Four bills were introduced, as follows: S. 1240–1243.

Page S13620

Measures Reported: Reports were made as follows:

Special Report entitled ''Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996''. (S. Rept. No. 104–141)

H.R. 1976, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1996, with amendments. (S. Rept. No. 104–142)

H.R. 1868, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, with amendments. (S. Rept. No. 104–143)

Page S13620

Family Self-Sufficiency Act: Senate continued consideration of H.R. 4, to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, with a committee amendment in the nature of a substitute, taking action on amendments proposed thereto, as follows:

Pages S13558–75, S13581–S13617

Adopted:

(1) Wellstone Modified Amendment No. 2584 (to Amendment No. 2280), to exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill.

Pages S13561–62

(2) Dorgan Amendment No. 2535 (to Amendment No. 2280), to express the sense of the Senate on legislative accountability for the unfunded mandates imposed by welfare reform legislation.

Page S13565

(3) McCain Amendment No. 2589 (to Amendment No. 2280), to provide for child support enforcement agreements between the States and Indian tribes or tribal organizations.

Pages S13565–67

(4) Nickles Modified Amendment No. 2556 (to Amendment No. 2280), to provide for the transmission of quarterly wage reports in order to relay information to the State Directory of New Hires to assist in locating absent parents.

Page S13567

(5) By 94 yeas to 6 nays (Vote No. 424), Exon Modified Amendment No. 2525 (to Amendment No. 2280), to prohibit the payment of certain Federal benefits to any person not lawfully present within the United States.

Pages S13567–69

(6) Feinstein Amendment No. 2470 (to Amendment No. 2280), to impose a child support obligation on paternal grandparents in cases in which both parents are minors.

Page S13569

(7) Kerry Amendment No. 2662 (to Amendment No. 2280), to provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle.

Pages S13569–71

(8) Kerry Amendment No. 2664 (to Amendment No. 2280), to require applicants for assistance who are parents to enter into a Parental Responsibility Contract and perform satisfactorily under its terms as a condition of receipt of that assistance.

Pages S13569–71

(9) Feinstein Modified Amendment No. 2479 (to Amendment No. 2280), to provide for State and county demonstration programs.

Pages S13571–72

(10) Levin Modified Amendment No. 2486 (to Amendment No. 2280), to require recipients of assistance under a State program funded under part A of title IV of the Social Security Act to participate in State mandated community service activities if

they are not engaged in work after 6 months of receiving benefits.

Pages S13571–72

(11) D'Amato Amendment No. 2578 (to Amendment No. 2280), relating to claims arising before effective date.

Pages S13572–73

(12) Feingold Amendment No. 2481 (to Amendment No. 2280), to provide for a demonstration project for the elimination of take-one-take-all requirement.

Pages S13572–73

(13) Kerrey Amendment No. 2670 (to Amendment No. 2280), to allow a State to revoke an election to participate in the optional State food assistance block grant.

Pages S13572–73

(14) McCain Modified Amendment No. 2542 (to Amendment No. 2280), to remove the maximum length of participation in the work supplementation or support program.

Pages S13572–73

(15) Kohl Modified Amendment No. 2551 (to Amendment No. 2280), to expand the food stamp employment and training program.

Pages S13572–73

(16) Faircloth Modified Amendment No. 2601 (to Amendment No. 2280), to integrate the temporary assistance to needy families with food stamp work rules.

Pages S13572–73

(17) Wellstone Modified Amendment No. 2507 (to Amendment No. 2280), to exclude energy assistance payments for one-time costs of weatherization or repair or replacement of unsafe or inoperative heating devices from income under the food stamp program.

Pages S13572–75

(18) Pryor Modified Amendment No. 2495 (to Amendment No. 2280), to modify the penalty provisions.

Pages S13583–84

(19) Gramm Amendment No. 2614 (to Amendment No. 2280), to provide for increased penalties for failure to meet work requirements.

Page S13584

(20) By 93 yeas to 5 nays (Vote No. 425), Shelby Amendment No. 2526 (to Amendment No. 2280), to amend the Internal Revenue Code of 1986 to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses.

Pages S13584–88, S13603

(21) Conrad Modified Amendment No. 2528 (to Amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Pages S13562–63, S13598–S13602

(22) Bradley Amendment No. 2496 (to Amendment No. 2280), to modify the provisions regarding the State plan requirements.

Pages S13602–03

(23) DeWine Modified Amendment No. 2517 (to Amendment No. 2280), to provide for quarterly reporting by banks with respect to common trust funds.

Pages S13594–96, S13604

Rejected:

(1) By 17 yeas to 83 nays (Vote No. 422), Faircloth Amendment No. 2609 (to Amendment No. 2280), to prohibit teenage parents from living in the home of an adult relative or guardian who has a history of receiving assistance.

Page S13562

(2) By 37 yeas to 63 nays (Vote No. 423), Jeffords Amendment No. 2581 (to Amendment No. 2280), to strike the increase to the grant to reward States that reduce out-of-wedlock births.

Pages S13563–65

(3) By 34 yeas to 64 nays (Vote No. 426) Mikulski Amendment No. 2669 (to Amendment No. 2280), to provide for the development of a program that encourages participation of both parents in the parenting of children and encourages two-parent families.

Pages S13588–90, S13603–04

(4) By 37 yeas to 61 nays (Vote No. 427), Feinstein Amendment No. 2478 (to Amendment No. 2280), to provide equal treatment for naturalized and native-born citizens.

Pages S13590–93, S13604–05

(5) By 20 yeas to 78 nays (Vote No. 428), Feinstein Amendment No. 2513 (to Amendment No. 2280), to limit deeming of income to cash and cash-like programs, and to retain SSI eligibility and exempt deeming of income requirements for victims of domestic violence.

Pages S13596–98, S13605

Pending:

Dole Modified Amendment No. 2280, of a perfecting nature.

Pages S13558–75, S13581–S13617

Subsequently, the amendment was further modified.

Pages S13572–73

Daschle Amendment No. 2672 (to Amendment No. 2280), to provide for the establishment of a Contingency Fund for State Welfare Programs.

Page S13558

Faircloth Amendment No. 2608 (to Amendment No. 2280), to provide for an abstinence education program.

Page S13558

Simon Amendment No. 2509 (to Amendment No. 2280), to eliminate retroactive deeming requirements for those legal immigrants already in the United States.

Pages S13606–09

Simon Amendment No. 2681 (to Amendment No. 2280), to provide grants for the establishment of community works progress programs.

Simon Amendment No. 2468 (to Amendment No. 2280), to provide grants for the establishment of community works progress programs.

Page S13609

Graham Amendment No. 2568 (to Amendment No. 2280), to set national work participation rate goals and to provide that the Secretary shall adjust the goals for individual States based on the amount of Federal funding the State receives for minor children in families in the State that have incomes below the poverty line.

Page S13609–10

A unanimous-consent agreement was reached providing for further consideration of the bill, certain amendments pending thereto, and certain further amendments to be proposed, on Friday, September 15, 1995.

Page S13606

Messages From the House: Page S13619

Measures Referred: Pages S13619–20

Communications: Page S13620

Statements on Introduced Bills: Pages S13620–23

Additional Cosponsors: Page S13623

Notices of Hearings: Page S13623

Authority for Committees: Pages S13623–24

Additional Statements: Pages S13624–26

Record Votes: Seven record votes were taken today. (Total—428)

Pages S13562, S13565, S13569, S13603–05

Recess: Senate convened at 9:15 a.m., and recessed at 10:58 p.m., until 9:15 a.m., on Friday, September 15, 1995. (For Senate's program, see the remarks of the Acting Majority Leader in today's RECORD on page S13626.)

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—AGRICULTURE/D.C./FOREIGN OPERATIONS

Committee on Appropriations: Committee ordered favorably reported the following bills:

H.R. 1976, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1996, with amendments;

H.R.————, making appropriations for the government of the District of Columbia for the fiscal year ending September 30, 1996; and

H.R. 1868, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, with amendments.

APPROPRIATIONS—DISTRICT OF COLUMBIA

Committee on Appropriations: Subcommittee on the District of Columbia concluded hearings on proposed budget estimates for fiscal year 1996 for the government of the District of Columbia, after receiving testimony in behalf of funds for their respective activities from Annice M. Wagner, Chief Judge, District of Columbia Court of Appeals; Eugene N. Hamilton, Chief Judge, Superior Court of the District of Columbia; Andrew F. Brimmer, Chairman, District of Columbia Financial Responsibility and Management Assistance Authority; Wilma R. Harvey, President, District of Columbia Board of Education; and Franklin L. Smith, Superintendent, District of Columbia Public Schools.

PUBLIC BROADCASTING REFORM

Committee on Commerce, Science, and Transportation: Committee concluded hearings on proposals to privatize the public broadcasting system, after receiving testimony from Frederick M.R. Smith, CS First Boston, New York, New York; George L. Miles, Jr., WQED Pittsburgh, Pittsburgh, Pennsylvania; Delano E. Lewis, National Public Radio, and Kenneth Robinson, both of Washington, D.C.; Burnhill Clark, KCTS Television, Seattle, Washington; and Newton N. Minow, Carnegie Corporation, Chicago, Illinois.

FEDERAL OIL AND GAS LEASING

Committee on Energy and Natural Resources: Subcommittee on Energy Production and Regulation concluded hearings on the following bills:

S. 1014, to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, after receiving testimony from Cynthia Quarterman, Director, Minerals Management Service, Department of the Interior; Don Hoffman, Montana Department of Revenue, Helena; J. Larry Nichols, Devon Energy Corporation, Oklahoma City, Oklahoma; and J.B. Rollins, Chevron U.S.A. Production Company, Houston, Texas; and

S. 1012, to extend the time for construction of certain FERC licensed hydro projects, after receiving submitted testimony from Elizabeth A. Moler, Chair, Federal Energy Regulatory Commission, Department of Energy.

CONVENTIONAL WEAPONS AND FOREIGN POLICY IN SOUTH ASIA

Committee on Foreign Relations: Subcommittee on Near Eastern and South Asian Affairs concluded hearings to examine United States conventional weapons and foreign policy in South Asia, after receiving testimony from Senator Pressler; Robin Raphel, Assistant Secretary of State for South Asian Affairs; Bruce O. Riedel, Deputy Assistant Secretary of Defense for Near East and South Asian Affairs; Stephen P. Cohen, University of Illinois, Champaign-Urbana; George K. Tanham, RAND Corporation, Michael Krepon, Henry L. Stimson Center, James Clad, Georgetown University, and William Clark, Jr., Center for Strategic and International Studies, all of Washington, D.C.; and Bruce Fein, Great Falls, Virginia.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following measures:

S. 1111, to amend title 35, United States Code, with respect to patents on biotechnological processes;

S. 977, to correct certain references in the Bankruptcy Code; and

S.J. Res. 20, granting the consent of Congress to the compact to provide for joint natural resources and boating at the Jennings Randolph Lake Project lying in Garrett County, Maryland and Mineral County, West Virginia, entered into between the States of West Virginia and Maryland.

RUBY RIDGE

Committee on the Judiciary: Subcommittee on Terrorism, Technology, and Government Information resumed hearings to examine certain Federal law enforcement actions with regard to the 1992 incident at Ruby Ridge, Idaho, receiving testimony from Roger Love, Mark Tilton, Christopher Whitcomb, Dale Monroe, Edward C. Wenger, Jr., Warren Bamford, Jerome Barker, and Christopher Curran, all of the Federal Bureau of Investigation, Department of Justice.

Hearings continue tomorrow.

House of Representatives

Chamber Action

Bills Introduced: 16 public bills, H.R. 2329–2344, 2 private bills, H.R. 2345–2346; and 1 resolution, H. Con. Res. 101, were introduced. **Pages H8993–94**

Reports Filed: Reports were filed as follows:

H.R. 1872, to amend the Public Health Service Act to revise and extend programs established pursuant to the Ryan White Comprehensive AIDS Resources Emergency Act of 1990, amended (H. Rept. 104–245);

H.R. 2274, to amend title 23, United States Code, to designate the National Highway System, amended (H. Rept. 104–246); and

Conference report on H.R. 1817, making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996 (H. Rept. 104–247). **Pages H8954–93**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designates Representative Radanovich to act as Speaker pro tempore for today. **Page H8911**

Committees To Sit: The following committees and their subcommittees received permission to sit today during proceedings of the House under the 5-minute rule: Committees on Commerce, Government Reform and Oversight, the Judiciary, Science, and Transportation and Infrastructure. **Page H8914**

Defense Appropriations: House disagreed to the Senate amendment to H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996; and agreed to a conference. Appointed as conferees: Representatives

Young of Florida, McDade, Livingston, Lewis of California, Skeen, Hobson, Bonilla, Nethercutt, Neumann, Murtha, Dicks, Wilson, Hefner, Sabo, and Obey. **Page H8915**

Agreed to the Obey motion to instruct House conferees on insist on section 8075 of the House bill, limiting the allowable cost charged to the Government for individual compensation to not more than $200,000 per year. **Page H8915**

Earlier, agreed to a unanimous-consent request that the House vacate the proceedings of September 13, 1995, in which the House disagreed to the Senate amendment to H.R. 2126, and agreed to the conference asked by the Senate; except that the order of the House of the same day enabling closed meetings of the conference remain in effect. **Page H8915**

Late Report: Conferees received permission to have until midnight tonight to file a conference report on H.R. 1817, making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996. **Page H8915**

Federal Acquisition Reform: By a recorded vote of 423 ayes, Roll No. 663, the House passed H.R. 1670, to revise and streamline the acquisition laws of the Federal Government, and to reorganize the mechanisms for resolving Federal procurement disputes. **Pages H8915–37**

Agreed To:

The Spratt amendment that provides for the establishment of a demonstration project to determine the feasibility or desirability of one or more proposals for improving the personnel management policies or procedures that apply with respect to the acquisition workforce of the Department of Defense; **Pages H8915–16**

The Chambliss amendment that revises the provisions relating to protest resolution (title IV) to include new language that clarifies the standard of review in protest cases; ensures that board judges permit the use of discovery only where necessary; increases the use of special simplified procedures for the speedy resolution of protests in certain cases; provides for the selection of judges by the Secretary of Defense for the Defense Board and by the Administrator of General Services for the Civilian Board; simplifies and clarifies the transition process from the current protest resolution system to the new consolidated boards; and provides the Postal Service to maintain its own board for contract disputes; and **Pages H8916–23**

The Zeliff amendment that places a moratorium on a provision of current law that permits State and local governments to purchase goods and services directly from the General Services Administration's Federal supply schedule. **Pages H8923–25**

Rejected the Maloney amendment that sought to strike provisions lifting the current law requirement that a fee or tax must be paid to the United States Government on foreign sales of products developed under Government contract in order to recoup these development costs (rejected by a recorded vote of 164 ayes to 259 noes, Roll No. 662). **Pages H8925–30**

The Clerk was authorized to make technical corrections and conforming changes in the engrossment of the bill. **Page H8937**

Legislative Program: The Acting Majority Leader announced the legislative program for the week of September 18. Agreed to adjourn from Thursday to Monday. **Pages H8937–40**

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business of September 20. **Page H8940**

Senate Messages: Message received from the Senate today appears on page H8911.

Amendments Ordered Printed: Amendments ordered printed pursuant to the rule appear on pages H8994–H9033.

Quorum Calls—Votes: Two recorded votes developed during the proceedings of the House today and appear on pages H8930 and H8936–37. There were no quorum calls.

Adjournment: Met at 1 p.m. and adjourned at 6:24 p.m.

Committee Meetings

RECONCILIATION ISSUES

Committee on Commerce: Began consideration of Department of Commerce Abolition for transmittal to the Committee on the Budget for inclusion in the Omnibus Budget Reconciliation Act for fiscal year 1996.

Will continue September 19.

FDA'S ENFORCEMENT STANDARDS FOR MEDICAL DEVICES

Committee on Government Reform and Oversight: Subcommittee on Human Resources and Intergovernmental Relations and the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs held a joint hearing on FDA's Enforcement Standards for Medical Devices. Testimony was heard from William Schultz, Deputy Commissioner, Policy, FDA, Department of Health and Human Services; and public witnesses.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Commercial and Administrative Law approved for full Committee action the following bills: H.R. 234, Boating and Aviation Operation Safety Act; 1802, Reorganization of the Federal Administrative Judiciary Act; and H.R. 2291, to extend the Administrative Conference of the United States.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Courts and Intellectual Property held a hearing on the following: H.R. 1649, Patent and Trademark Office Corporation Act of 1995; H.R. 1756, Department of Commerce Dismantling Act; and the Patent and Trademark Corporation Act of 1995. Testimony was heard from Bruce A. Lehman, Assistant Secretary and Commissioner of Patents and Trademarks, Patent and Trademark Office, Department of Commerce; and public witnesses.

SERIAL KILLERS AND CHILD ABDUCTIONS

Committee on the Judiciary: Subcommittee on Crime held a hearing on Serial Killers and Child Abductions. Testimony was heard from the following officials of the FBI, Department of Justice: Robin L. Montgomery, Special Agent in Charge, Critical Incident Response Group; William Hagmaier, Supervisory Special Agent and Unit Chief, Child Abduction and Serial Killer Unit; and Kenneth V. Lanning, Supervisory Special Agent, Behavioral Science Unit; and public witnesses.

DEPARTMENT OF COMMERCE DISMANTLING ACT

Committee on Science: Ordered reported amended H.R. 1756, Department of Commerce Dismantling Act.

COMMITTEE BUSINESS

Committee on Standards of Official Conduct: Met in executive session to consider pending business.

DEPARTMENT OF COMMERCE DISMANTLING ACT; WATER SURVEY AND PROJECT RESOLUTIONS

Committee on Transportation and Infrastructure: Ordered reported amended H.R. 1756, Department of Commerce Dismantling Act.

The Committee also approved the following: 14 water resources survey resolutions; and 1 section 201 water project resolution.

RAIL SAFETY USER FEES

Committee on Transportation and Infrastructure: Subcommittee on Railroads held a hearing on the proposed renewal and expansion of Rail Safety User Fees. Testimony was heard from Don Itzkoff, Deputy Administrator, Federal Railroad Administration, Department of Transportation; and public witnesses.

Joint Meetings

APPROPRIATIONS—TREASURY/POSTAL SERVICE

Conferees met to continue to resolve the differences between the Senate- and House-passed versions of H.R. 2020, making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1996, but did not complete action thereon, and will meet again on Tuesday, September 19.

APPROPRIATIONS—MILITARY CONSTRUCTION

Conferees continued in evening session to resolve the differences between the Senate- and House-passed versions of H.R. 1817, making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996.

COMMITTEE MEETINGS FOR FRIDAY, SEPTEMBER 15, 1995

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations, business meeting, to mark up H.R. 2127, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1996, 9 a.m., SD–192.

Committee on Energy and Natural Resources, to hold hearings on S. 1144, to reform and enhance the management of the National Park Service, S. 309, to reform the concession policies of the National Park Service, and S. 964, to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System, 9 a.m., SD–366.

Committee on the Judiciary, Subcommittee on Terrorism, Technology, and Government Information, to continue hearings on matters relating to the incident in Ruby Ridge, Idaho, 10 a.m., SD–G50.

House

No committee meetings are scheduled.

Next Meeting of the SENATE
9:15 a.m., Friday, September 15

Senate Chamber

Program for Friday: Senate will resume consideration of H.R. 4, Work Opportunity Act.

Next Meeting of the HOUSE OF REPRESENTATIVES
10:30 a.m., Monday, September 18

House Chamber

Program for Monday: Consideration of the following 11 Suspensions:

1. S. 464, Extension of District Court Demonstration Projects;
2. S. 532, Clarifying Rules Governing Venue;
3. H. Res. 181, Encouraging the Peace Process in Sri Lanka;
4. H. Res. 158, Congratulating the People of Mongolia;
5. H. Con. Res. 42, Supporting Dispute Resolution in Cyprus;
6. H.R. 1091, Shenandoah Valley National Battlefields Partnership Act of 1995;
7. H.R. 260, National Park System Reform Act of 1995;
8. H.R. 402, Alaska Native Claims Settlements Amendments;
9. H.R. 1872, Ryan White Care Act Amendments of 1995;
10. H.R. 558, Texas Low-Level Radioactive Waste Disposal Compact Consent Act; and
11. H.R. 1296, Providing for the Administration of Certain Presidio Properties; and

Consideration of H.R. 39, Fisheries Conservation and Management Act (subject to a unanimous-consent agreement).

Extensions of Remarks, as inserted in this issue

HOUSE

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