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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. DEAL].

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
September 19, 1995.

I hereby designate the Honorable NATHAN DEAL to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 25 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes, but in no event shall debate continue beyond 9:50 a.m.

The Chair recognizes the gentleman from New Mexico [Mr. RICHARDSON] for 5 minutes.

OPEN DEBATE ON NATIONAL PARK SYSTEM

Mr. RICHARDSON. Mr. Speaker, I call the attention of my colleagues to the votes today on the Suspension Calendar. On the Committee on Resources, as the ranking member of Public Lands, Shenandoah Valley National Battlefields partnership Act, a good bill that deserves support, the Alaskan Native Claims Settlement Act, the same, a good bill that deserves support, and the Presidio bill, a good piece of legislation, all of these are bipartisan. But I have to call attention to my colleagues to one bill that deserves rejection, H.R. 260, and that is the park closure bill, a bill that would threaten 198 of the smallest parks in the National Park System, and I will be inserting in the CONGRESSIONAL RECORD a list of those parks and many are in many of my colleagues' districts.

Mr. Speaker, I urge my colleagues to pay close attention to this list because it represents the potential first draft of the new park closure list which will undoubtedly result from the recommendations of the Park Closure Commission created by H.R. 260, a bill that is opposed by every environmental organization and is opposed by the Clinton administration, the Department of the Interior, and many others.

Mr. Speaker, H.R. 260's Parks Closure Commission would have the authority to recommend to Congress specific units of the park system for closure, privatization, or sale to the highest bidder. Many of the proponents of this bill claim that it is the same one that we passed unanimously last year. H.R. 260 is not the same bill we passed last year. This is how.

First, H.R. 260 puts the decision of a Park Closure Commission at the front of the train. It takes the statutory authority Congress currently has and places it in the hands of a politically appointed commission.

Second, H.R. 260 sends a strong signal to the American people that Congress does not have the political will to carry out its responsibilities of oversight over the National Park Service, and H.R. 260 exempts the 54 national park units from closure, leaving the less visited, smaller budgeted parks at the mercy of the Park Closure Commission.

Unfortunately, national treasures, such as Valley Forge, Mount Rushmore, the Statue of Liberty, the Washington, Lincoln, and Jefferson Memorials, and the Martin Luther King National Historic Site could find themselves on the chopping block.

As my colleagues, Mr. COLEMAN and Mr. PALLONE, stated so eloquently yesterday on the House floor, why does the bill only exempt the national park units from the Park Closure Commission? Are supporters of H.R. 260 making some sort of value judgment on the different units of the park system? Are we thinking that some units of the system are more deserving of protection and enjoyment than others?

Mr. Speaker, if the bill exempts national park units, shouldn't it also exempt national monuments, historic battlefields, historic sites, and national battlefield parks? If the bill sponsors are so concerned about an honest, objective review of the entire system, why did they not leave every unit on the chopping block and subject to the recommendations of the Park Closure Commission?

I had planned to offer amendments to H.R. 260 and had made note of my intention to—in a ''Dear Colleague'' letter to everyone in this body this summer. Despite my stated intentions and the distinct impression I had from the committee leadership that I would be able to offer these amendments as I did in subcommittee, H.R. 260 is being rammed through the House without the opportunity for full discussion and debate. There has been a lot of talk recently about accountability, yet it appears that business as usual continues here in the House.

H.R. 260 is opposed by the League of Conservation Voters. In fact, they have issued a letter declaring that this organization is going to consider this vote when considering its 1995 environmental voting scoring rating.

Environmental groups oppose this bill. The National Parks and Conservation Association, the Wilderness Society, the American Hiking Society, Defenders of Wildlife, Environmental Action Foundation, Sierra Club, Friends of the Earth and the Izaak Walton League of America. Editorials against H.R. 260 have appeared in newspapers around the country, the New York Times, the Salt Lake Tribune, the Miami Herald, the Philadelphia Enquirer, the St. Louis Post Dispatch, the Las Vegas Sun, and the Wichita Eagle.

The administration has issued a strongly worded condemnation of this bill. National Park Service Director Roger Kennedy has been direct and straightforward with Congress in enumerating the reasons to oppose this bill.

Mr. Speaker, all I am asking is that this bill be returned to the Rules Committee. Let it come up next week under a closed rule where amendments offering alternatives, which I would offer with several other colleagues on a bipartisan basis that would deal with financing the parks through a changed fee system, a trust fund, and a change in the concessions policy is a far more Democratic way to deal with this issue.

I urge my colleagues to vote ''no'' on H.R. 260 today.

PRESERVING AND PROTECTING MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Kansas [Mr. TIAHRT] is recognized during morning business for 5 minutes.

Mr. TIAHRT. Mr. Speaker, I wanted to spend a few minutes this morning talking about a very important issue of preserving and protecting Medicare. I want to quote from the Los Angeles Times who printed just a week ago, ''the House GOP plan to save Medicare is a sensible start toward fixing a program whose costs are out of control.'' The Democrats are wrong to balk at the restraining of soaring costs of the popular Medicare Program. The current path doubles the program's budget every 7 years. It is not sustainable and they know it.

Mr. Speaker, I am not an expert on Medicare, and so I went back into my district during the August district work period and I got together 33 members of the health care industry, of people who were concerned about preserving and protecting Medicare, of people who were involved in taxpayer groups, the AARP, United Seniors Associates, and we got together and we met all morning at Wichita State University about what problems we were facing with Medicare and how we could best preserve and protect it, and today I have with me a copy of the draft report that we submitted and that I also used to testify before members of the Committee on Commerce; it is the subcommittee for the Committee on Ways and Means, in coming up with some solutions for preserving and protecting Medicare.

Some of the ideas that we had that came out of the Fourth District of Kansas are now being implemented into the legislation. These members of this task force came to this meeting with three methods of preserving and protecting Medicare. We went around the room and we discussed each one of these solutions in depth.

Mr. Speaker, I was expecting them to come scared because a lot of the rhetoric that has been said right here on the floor of the House, a lot that has been printed across through the elite media, and so I was somewhat anxious about the meeting, but when I got there, the people of America were not scared about losing Medicare. They were concerned, but they came with excellent ideas. They wanted to give the best ideas of Kansas to have them brought here, and some of the ideas came right out of the work force.

A gentleman named Zim Zimmerman, who works for Evcon industries in Wichita, KS, one of the leading air-conditioner suppliers across the Nation. He was just 90 days away from retirement and he said, if I could just take my health care insurance as provided at Evcon and carry it on into retirement, I would be completely satisfied. Other seniors wanted to have the same system that is available to them now, Medicare. Some wanted a type of system that is a managed care system because it provided more alternatives to them, and some wanted medical savings accounts.

Mr. Speaker, the legislation that is currently being drafted does keep our Nation's commitment to Medicare and it remains as an option to seniors, with no increase to copayments or deductibles. We also, in the legislation that we are right now pushing forward, allowing seniors the same health care choices that are available to others like Zim Zimmerman and other seniors in the Fourth District, and we came up with some good ideas on how to root out waste and fraud and abuse so that we can maximize the health care dollars that we are spending.

We also have in this legislation ways of placing financial responsibility on those who can best afford it and try to provide the benefits to those who are truly in need without great demands on their financial responsibility. We also want to set up a guaranteed solvency through a budgetary fail-safe provision.

As the task force discussed some of these problems, particularly in waste, fraud, and abuse, it was very apparent that fear has been used all across the Nation. In our report that was given to us by a gentleman who is administering a hospital in Halstead, KS, his name is Jeffrey Feeney, he used to work in a Florida hospital, and a physician came to him and said, I would like to use a room to talk with some of the seniors. And he says, well, what were you going to use the room for? He explained that the doctor was talking to the seniors about an autologous blood process by which he was parlaying the fear of seniors, the fear of contracting AIDS or other social STD or HIV infected blood through the process when they had surgery. They have to use others' bloods, so this autologous blood process, they would take their own blood, he would store it for them at no cost to them, and then in the future, in the event they needed blood, it would be available to them.

Many of them would never need this blood. They would never have surgery, but yet he was being paid by Medicare on a daily basis for storing this blood. So he parlayed this fear into bilking the system out of hundreds of thousands of dollars.

Mr. Speaker, when I think about what has happened here recently, even for my own parents, when people try to come in and try to use scare tactics, in Kansas we call that scams, and this is not Mediscam. We are talking about preserving and protecting Medicare.

So, Mr. Speaker, as we submit this report and as we proceed with Medicare legislation, I hope that the American public will see that the loss of credibility for using scare tactics is more and more apparent and that the plans that we have forwarded as represented by the Los Angeles Times are going to be effective in preserving and protecting Medicare.

MEDICARE SAVINGS DOUBTED

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. DOGGETT] is recognized during morning business for 5 minutes.

Mr. DOGGETT. Mr. Speaker, as this House was concluding its business last night, I was discussing the concerns that every senior across this country should have about what is about to occur on Medicare, and indeed, listening to the remarks of my colleague from Kansas just now, I would say that if seniors are not scared, they ought to at least be very concerned about what is happening on Medicare, and I would think that any senior who has been observing closely what is occurring with reference to Medicare would be very near scared at the consequences that are about to befall them.

You know, we have awaited a Republican plan and now another day has passed. It is September 19, and we have yet to have any member of the Republican Party come to the floor of this House and spell out the details of their plan. All that American seniors know about this Republican plan is that it boils down to: Pay more, get less. That is what the Republican plan is, the pay more, get less plan.

Mr. Speaker, it was curious that the gentleman from Kansas just now would refer to the Washington Times because yesterday's Washington Times, the banner first page story was: Republican

Medicare Savings Doubted. And it refers to the gaping budgetary hole in the Republican plan. It talks about the fact that it is gimmickry, that over a third of the so-called savings the Republicans have in their pay more, get less plan has not yet been spelled out.

Of course, instead of being candid with the American people and telling them how far they are going to reach into the pockets of seniors in reforming, as they call it, Medicare, instead of explaining the details of the hit on America's seniors, on America's disabled population, our Republican colleagues come back and say, ''Well, where is your plan? If you don't like our pay more, get less plan, why don't the Democrats come forward with a plan?''

I would say that if what they are waiting for is a plan from the Democratic Party to take $270 billion in cuts from Medicare, they are going to wait forever because we are not going to have that kind of plan. If what they are waiting for is a plan from the Democrats to take money out of Medicare in order to fund tax cuts, tax breaks for the most privileged people in our society, they can wait a long time because we are not going to have that kind of plan.

Mr. Speaker, they have talked so much about a trustees' report and how they have to secure Medicare from bankruptcy, and yet the premium increases that they are proposing, what they have never told the American people, they are going to raise the cost of health care in their pay more, get less plan in part B, but not one penny of the premium increases that they propose is going to be contributed to the Medicare trust fund that they seem so concerned about. Not one penny of those premium increases that they ask America's seniors, that they ask America's disabled population to contribute in escalating health care costs, not one penny is going to secure or prevent any troubles with the Medicare trust fund.

The Democrats are ready to come together to secure the trust fund. We were ready last year in that regard, certainly my colleagues. I was not here at that time, but they worked to secure the trust fund. What did the Republicans do? What has been their contribution to secure and prevent the bankruptcy of the trust fund?

In their so-called Contract With America, they made the trust fund less secure. They took revenues that would go into the trust fund, that were contributed by the most wealthy of our seniors, and they took those revenues in the contract bill out of the trust fund so that it will be less secure if their proposals are adopted than if we keep on the existing law.

I believe that we need bipartisan support to have genuine reform with Medicare. The gentleman from Kansas referred to waste and fraud in the system, and there are seniors all over this country that can point to examples of mismanagement in the program. We need to ferret that out. We need to find ways to improve the efficiency of the system. But you do not begin that process by setting some imaginary $270 billion figure that you need in order to fulfill campaign promises. You do not begin there. You begin in a bipartisan, respectful manner consulting with our Nation's seniors, consulting with the experts and trying to reach a balanced proposal designed to improve Medicare, not to destroy it.

It is a lot like a fellow that got lost over in east Texas and he was looking around and trying to get directions and he said, ''How do you get from here to Oklahoma?'' And the farmer that he came onto said, ''Well, I don't know the precise path to get there but I sure wouldn't start from here.''

The Democrats are saying, do not start from the premise that you need to take $270 billion out of the pockets of American seniors. Do not start from the premise that you need to take money from Medicare in order to fund a tax break for America's privileged few. Start from the premise that we need to improve and strengthen Medicare so that we will be there for generations to come, so that it can serve the next generation of Americans in just the way it has protected America's seniors for the last 30 years since Lyndon Johnson signed it into law, a system that is one of the grandest accomplishments of this Congress that is out there delivering health care to 99 percent of Americans today. Let us preserve and protect that plan. As America's seniors find out about it, it is upside down, but so is their plan. The pay more, get less Republican plan must be rejected.

SLOWING THE GROWTH OF MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, I would say to the gentleman from Texas, if he wishes a copy of the plan, he certainly can read about it in the Wall Street Journal, he can read about it in the Washington Post or the Washington Times. Furthermore, the slowing of the growth in Medicare is what has been proposed by Republicans, it is pretty much what President Clinton proposed last year in his health care bill. So what we are all trying to do here is to slow the growth down and save the program.

Mr. Speaker, this morning I am here to talk about Medicare and Medicaid together, the program for our elderly, disabled, and low-income women and children, but I am here to talk again about waste, fraud, and abuse in this program.

The spending on these programs, as my colleagues know, has gone up at 10.5 percent In the private sector, it has gone up at 4.5 percent. We need to bring the spending down, but part of the reason the spending has gone up so high is because of the waste, fraud, and abuse in these programs. Some people estimate this waste, fraud, and abuse at 12 percent of these two programs, or $30 billion, as high as $44 billion for the two programs combined.

An indication of how pervasive this program is was summed up recently by a Clinton high official. This person was the Human Services Inspector General, June Gibbs Brown, and this is what she said, Mr. Speaker: ''The basic structure of the current health care system is almost as if it had been designed for the very purpose of promoting waste, fraud, and abuse.'' Now, that is a startling admission.

The truth is that such behavior is not restricted to just one segment. Providers and beneficiaries alike seem guilty of bilking the system for personal gain. Examples of these have been recounted in numerous hearings on the Committee on Commerce on which I serve and the Health Care Subcommittee. However, today I will share with you several examples that have been reported in the Reader's Digest.

I was heartened by the fact that this wonderful publication has presented this because so many readers subscribe and purchase the Reader's Digest, and so they too will be able to identify the waste, fraud, and abuse from these articles.

The first step is to identify the sources of abuse and then to put the mechanism into place that will correct the situation and prevent such abuse in the future. We, in our plan, do that.

One such scheme that was reported in the Reader's Digest dealt with a doctor. His wife and his 14-year-old daughter were working together. The doctor assigned his 14-year-old daughter the task of taking and reading the x rays. On a good day, the office submitted 180 claims. The take was $4.5 million over the year for this particular doctor, his wife, and his daughter. They submitted these fraudulent claims to some 40 insurance companies. What finally finished this lucrative and costly scam was that the Customs officials became suspicious when, during the course of investigating drug money laundering, they noticed that the doctor's check cashing patterns were strange. It makes one wonder why this was not detected by the Health Care Financing Administration. Are they not the body that is supposed to detect this?

Mr. Speaker, earlier this year, one of HCFA's contractors suspended five computer-alert programs that had saved taxpayers $4 million in just 3 months. Why was this done? The volume of suspicious claims had become impossible for the staff to review. In fact, the General Accounting Office found that half of Medicare fraud and abuse complaints are not even investigated. The GAO told Congress, ''HCFA needs to guard a thousand doors, but has the resources for only a couple doors.''

Perhaps the most egregious account that was cited involved the National Medical Enterprise, which was a $3.9 billion New York Stock Exchange company that owned psychiatric hospitals, which operated 86 psychiatric hospitals nationwide. Sadly enough, witnesses testified before the State legislators that social workers, school counselors, probation officers, and even ministers served as, quote, ''headhunters'' and were paid bounties for referring individuals to some of these hospitals.

In Texas, a Texas State senator led the investigation of this in his State and stated, quote, ''people were locked up against their will. Then they were miraculously cured when their insurance benefits ran out.''

My own State of Florida also has its share of con artists. In fact, in March of this year, Florida Medicaid found that at least six taxicab companies and two individuals were ripping off the Medicaid Program designed to give needy patients free rides to the doctors. In the course of 317 days, one company received $1,134,164 for driving patients over 1 million miles. As one investigator wryly noted, ''That is enough to travel 41 times around the Earth at the equator.''

My colleagues, the Republican plan includes ways to stop waste, fraud, and abuse and it is important we address this matter immediately. No matter which party you represent, which side of the aisle you are on, we can all agree that waste, fraud, and abuse is something that bothers most Americans and we need to stop it now.

DEMOCRACY IN THE DISTRICT OF COLUMBIA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized during morning business for 5 minutes.

Ms. NORTON. Mr. Speaker, many are new to Congress this year and the Republican majority is altogether new in having the obligation to get 13 appropriations through the House of Representatives. The District of Columbia appropriation is the only one remaining.

The District of Columbia appropriation is a PILOT, a payment in lieu of taxes, like those in virtually every State in the Union. It is not a grant. We are paid because the Federal Government preempts much of the prime land in the District and we cannot develop on that land and because we cannot develop above a certain height.

Unlike last year, there is plenty of reason to vote for the District budget this year. We had a very severe struggle last year, but on the merits this year, the budget went through appropriation hearings without controversy. Why? Because there is a control board in place that keeps things in check, because employees have given a whopping 12-percent give-back, and because the District has downsized 20 percent, twice as many positions as the Congress asked for.

Yet, there are propositions before the subcommittee mark this afternoon that no Republican and no Democrat can embrace. Some of these propositions would force law on people, even though the Congress is not accountable to those people, because it would force changes in local law.

It is surely a principle of this House that only through the ballot can basic law be changed. Only those who can reject or embrace what you do have a right to have law made for them. The governing theme of the 104th Congress, my colleagues, is devolving power back to the localities. You cannot have any credibility with that theme if you usurp local power here in the District of Columbia.

Mr. Speaker, many in the majority find much in this nine-to-one Democratic city with which to disagree. Yes, you are Republicans, you are in the majority. Most of us are Democrats. Surely you would not want to force Republican change in the manner of congressional dictators. That surely cannot be your desire.

To be sure, the Constitution gives you some powers over the District of Columbia, but James Madison did not mean for you to overturn local laws. He meant you to guard the Federal presence. This is a Democratic city, so who can be surprised that there is rent control? Some would take back, overturn rent control, and put their own version of decontrol place instead of our version of decontrol. Some would privatize our schools. The Mayor wants to privatize some of our schools. Many on the schoolboard want to do that. If we are not doing it fast enough for you, wait a while. This is a democracy. This is America.

Mr. Speaker, for 20 years there have been high-profile controversial restrictions put on our appropriation, but never has the Congress tried to change mainstream council legislation. I ask you in the name of democracy not to do it today.

What is being proposed is a radical departure from basic democracy, an invasion into the very body of home rule itself. I ask you not to do it. I ask you to be true to your own principles. Put yourself in my place. Put yourself in the place of the people whom I represent. They do not have full help-governing powers. Please leave them with what self-government powers they have. Please remember this afternoon in the subcommittee, in the full Committee on Appropriations, and when our budget comes to this House, that almost all of that budget is raised in the District of Columbia.

Above all, remember that this is America, that you are Americans, and that we are Americans. The Speaker himself came to a town meeting in my district. It was a gutsy and important and historic moment, and he said before all the people I represent, I do not intend to micromanage the affairs of the District of Columbia, I do not intend that home rule be overturned. I believe the Speaker. I ask you to follow the Speaker. I ask you to respect the rights of the people I represent.

This is the first time that the District of Columbia budget will come before a Republican majority in 20 years of home rule. The country is watching; not just my constituents. The entire country is watching.

Will the Republican majority force its will on a Democratic city that is powerless to fight back, that has no voting representation on the floor of this House, that has no representation whatsoever in the Senate of the United States, though we are fourth per capita in income taxes paid in this country among the 50 States? Please respect our rights. Please treat the people I represent as you and your constituents would be treated.

PLAN FOR MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Mr. Speaker, on Friday, I met in New Jersey again with a number of senior citizens as part of an outreach that myself and some of the other Democratic Congressmen in New Jersey have been doing on a regular basis. This time we were in Gloucester Township in Congressman ANDREWS' district and we had about 200 or 300 senior citizens who were very concerned about the Republican proposals to cut Medicare by $270 billion.

Mr. Speaker, the problem that the seniors had is that they feel very strongly that they are not getting enough information about exactly what the Republican plan is, and the fact of the matter is, they are right. We are still not provided with the details about what Speaker GINGRICH and the Republican leadership intend to do with the Medicare Program.

Last Thursday, the Speaker and Senator DOLE released their so-called plan to reform Medicare, but unfortunately, once again, the plan falls far short in regards to any specific details, and the plain fact is that the Republicans have still not offered any substantive Medicare plan.

We do know certain things though. We do know that the cut, the $270 billion, is the largest cut in the history of the Medicare Program, and we also know that there is no way to implement that level of cut, that magnitude of cuts in Medicare without at the same time charging seniors more for Medicare and providing them with less services.

My friend from Texas had the sign that he was using before and I will hold it up again. It says, the GOP Medicare plan, pay more, get less. The bottom line is that no matter how we cut it,

when we talk about a level of $270 billion in Medicare cuts, it is going to mean more out of pocket for the average American senior and it is going to mean less services.

Mr. Speaker, I am glad to see that over the last few days that we are starting to see more and more media reports explaining that fact. Today in the Washington Times there is an article on the front page. It says: ''Medicare Solution Looks Like the Problem. GOP Fears Specter of a Tax Increase.''

Already, we have heard about several tax increases or proposals from either the Senate Republicans or the House Republicans that would result in more money coming out of pocket from America's seniors. We have heard Speaker GINGRICH, who last week indicated that the part B premium, the premium that pays for physicians' bills, for doctors' bills, is likely to go up so that within the next 7 years it is doubled and seniors will be paying twice what they are now paying for their part B premiums.

We have also heard about the means testing. That was another proposal that came out of the House Republican plan. So far, they are talking about means testing only people at higher income levels, but I would contend to you that once you start down that slippery slope of means testing and charging people with higher incomes more for their Medicare premiums, their part B premiums, you will see that in future years, Congress will move toward lowering the threshold and that more and more middle class seniors will end up not having any kind of subsidy or any significant subsidy for their Medicare part B premium.

Mr. Speaker, it is mentioned again in today's Washington Times that in the Senate Republican plan, they are talking about increasing copayments. So now we are also hearing proposals with regard to part A that pays for hospital bills to increase the copayment from $100 to $150.

The bottom line is no matter how you cut it, we are talking here about more money out of seniors' pockets, and what is it for? All to pay for a tax cut, most of which will go toward the wealthiest Americans.

I was very pleased today to see that there was an article in the Washington Post by the commentator, E.J. Dionne, Jr. It says, ''Blue Smoke and Medicare,'' and if I could just read some relevant sections from it, Mr. Speaker. It says, and I quote:

> The Republicans should admit that the Medicare fight is not primarily about the threatened bankruptcy of the Medicare system. The Republicans did not get into these big Medicare cuts because they feared for the system's solvency. If that were true, they would have made a lot of noise last year when Medicare's trustees issued a slightly more gloomy report on its finances.

We know that, in fact, Medicare has never really been in better shape, that the part A trust fund that pays for hospital bills right now has a 7-year life expectancy, which is significantly more than the 2 or 3 years that was reported by the trustees of Medicare in previous years, and Mr. Dionne goes on to say that:

> The Republicans also have to stop denying that there is a link between their tax cutting plans and the Medicare cuts. It is simply true that they need huge cuts in Medicare and also Medicaid to finance their budget balancing promises and their tax cuts. If the Republicans really believe that these tax cuts are as right and as important as they claim, they ought to be shouting from the rooftops that their excellent tax cuts would be impossible without Medicare and Medicaid cuts. The Republicans don't want to admit this for purely political reasons.

Mr. Speaker, I just want to continue to point out on a daily basis how significant the level of these cuts are and what a dramatic impact they are going to have on America's seniors, both by increasing the cost to seniors and providing less quality service.

MEDICARE AND MEDICAID CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. MILLER] is recognized during morning business for 5 minutes.

Mr. MILLER of California. Mr. Speaker, my colleagues from New Jersey and Texas were in the well earlier pointing out the flaws of the yet-to-be-released proposal by the Republicans to cut the Medicare Program in this country and to cut the Medicaid Program in this country. It is very important certainly that the senior citizens of this country, but also that their families, focus on what the Republicans are about to do.

As my colleague from New Jersey just pointed out, these changes in Medicare were not created out of the concern for the Medicare Program or its solvency into the future or for the beneficiaries. These cuts in the Medicare Program were created for one purpose, and that is so that the Republicans can fund a $245 billion tax cut, the primary beneficiaries of which are the richest people in this country.

Mr. Speaker, they do not have $245 billion to give away. We have a $260 billion deficit this year and we have a $4 trillion deficit in this country. We do not have that money to give away, but they want to give it away. So where have they gone to get the money? They have gone to the Medicare trust funds to get that money and that is why they have a $270 billion cut in Medicare and a $182 billion cut in Medicaid.

Now, most people think that somehow they are insulated from those cuts in Medicaid, that this only deals with poor people, this only deals with people of the inner city, somebody that they are never going to be part of. The fact is that over 65 percent of all of the money in Medicaid goes for nursing home and long-term care for people who never thought in their lives they would be in those nursing homes or in long-term care. Medicaid is what stands between not only the people in the nursing homes and bankruptcy; it stands between bankruptcy and their families, because there are very few, if any, middle income families in this country that can pay the full freight of taking care of the long-term care needs of their parents, if necessary. That is why we have Medicaid.

Now, to be eligible for Medicaid, you have to spend yourself down, get rid of all of your assets, and then we will take care of you, but under this proposal to cut $180 billion, we may find that situation dramatically changed because they will have to change the benefits dealing with long-term care. They will have to change the benefits dealing with home health care, the idea of having somebody come in instead of putting somebody in a nursing home, have somebody come in and help them throughout the day so that they can live in their own home, live with some dignity, be in the neighborhood that they are familiar with and be taken care of. Those are going to be cut.

These are not charges made by me. These are points made in the National Journal that was delivered to Members of Congress. This is a nonpartisan policy magazine that discusses policy every week, and their point is in fact that the Medicaid cuts are going to have horrific impacts on the States.

They go on to point out that much of the rhetoric about how these Medicaid cuts will not hurt because everybody can be put into managed care, and therefore they can say that Medicaid will not grow more than 4 percent.

Mr. Speaker, the State of Arizona has had everybody in their State in managed care for 13 years and the average increases are 7 percent. That means, under the Republicans' plan, it is twice the growth rate that the Republicans would allow. How do you make that up? You make that up by cutting services, because they have already squeezed all of the savings that they thought were possible by putting people into managed care.

How did the State of California, when it cut Medicaid, how did it make it up? It started reducing payments to doctors. First they told the doctors, ''we will pay you 90 percent of what you get in the private marketplace;'' then, ''we will pay you 70 percent of what you get in the private marketplace'' and then pretty soon the doctors told them, ''Don't bother bringing Medicaid patients to us. We are not going to take care of these people because we cannot afford to do that.''

That is the slippery slope that is started when you start creating a medical system based upon the needs to provide tax cuts as opposed to what is needed to reform and take care of the Medicare system and its recipients, and we have got to understand that the program that the Republicans are putting forth now, according to the Washington Times yesterday, according to the chairman of the Budget Committee, may have the gap of about $80 billion in it. They do not know where

they are going to get 80 billion dollars' worth of cuts.

So what do they want to do? They want to put the Medicare system on an automatic cut provision that in 3 years, if we are not advancing toward the balanced budget, if the cuts have not been realized in Medicare, then they would have an automatic $80 billion in Medicare, again, coming out of hospitals, coming out of doctors who pretty soon are going to decide, like they have with the Medicaid patients, that they do not want any, that they do not want any Medicare patients.

Mr. Speaker that simply is an intolerable situation for the elderly in this country and for their families.

Let us understand what Medicare and Medicaid have done. They have allowed families to stay together, to stay intact with confronting what, in some cases, are catastrophic medical costs for our elderly population. As generations mature and they look to their children to help out, there are very few children that can help out with hundreds of thousands of dollars in health care costs as their parents reach 70, 80, 90 years of age.

That is what is happening to the baby boomers. As the baby boomers try to figure out how to buy their homes for their families, how to educate their children, how to preserve a standard of living in this country, they are now confronted with their aging parents. I would look very carefully at this program to slash Medicare and Medicaid by almost $450 billion.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 10 a.m. today.

Accordingly (at 9 o'clock and 43 minutes a.m.), the House stood in recess until 10 a.m.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. FOLEY] at 10 a.m.

PRAYER

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

We pray, O gracious God, for those things most immediate to us—for food and shelter, for friends and families, for honorable causes and noble deeds. We offer these petitions to You because You are our creator and You know each of us by name. Yet, above all else, and as our first act of faith, we speak our thanksgivings to You with gratitude in our hearts for Your loving gifts to each person. Teach us, O God, that before we ask, we ought to give thanks and praise and before we receive, we ought to open our lives to Your gracious presence. Amen.

THE JOURNAL

The SPEAKER pro tempore. 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 pro tempore. The gentleman from Massachusetts [Mr. NEAL] will come forward and lead the membership in the Pledge of Allegiance.

Mr. NEAL of Massachusetts 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. The Chair will entertain fifteen 1-minutes on each side.

REPUBLICAN MEDICARE PLAN IS CREDIBLE

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

Mr. EHLERS. Mr. Speaker, for the past several months we have had considerable discussion and debate on the floor of the House regarding Medicare, an extremely important program, particularly to the senior citizens of this Nation. I have been very disappointed in the debate that we have had.

I come from an academic background where you concentrate on the facts and you discuss and debate based on those facts.

One fact is uncontrovertible: The trustees of the Medicare Program have said it will be bankrupt in 7 years if the Congress does not do something about it, and the debate should focus on that. But it has been a very partisan debate. My disappointment is the other side of the aisle has not engaged in a serious debate on the facts.

I turn to the Washington Post, scarcely a conservative paper, but they have written an objective editorial about what has happened in this debate in the past few months. This is what the Post has to say about the Democrats' Medi-scare campaign. These are actual quotes from the editorial, labeled Medigogues: ''Crummy stuff; demagoguery big-time; scare talk; expostulation; it is irresponsible.'' On the Republican side, the Post has this to say: ''Congressional Republicans have confounded skeptics. It is credible. It is gutsy.''

I think we should all listen to the Washington Post.

SAVING MEDICARE

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

Mr. PACKARD. Mr. Speaker, Medicare is going broke. The Medicare trustees recently reported that the money dries up in only a few short years. Seniors need to understand that once this happens the program they depend on to pay for doctors, hospitals and vital medications will cease to exist.

My Republican colleagues and I recognize that the time to defuse this ticking time bomb is now. This week, we plan to introduce our proposal to save and strengthen Medicare.

We plan to overhaul this 30-year-old program to root out waste and inefficiency. Furthermore, our plan offer's today's seniors the flexibility they need to navigate a fast changing modern medical landscape.

Mr. Speaker, our plan is about choices and freedom and the right to have the same types of health care plans as found in the private sector. Our bill expands options for seniors, combats fraud and abuse, and ensures that the program will be there when seniors need it.

CALL FOR INVESTIGATION OF ACTS OF AGGRESSION BY BELARUSAN MILITARY

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

Mr. NEAL of Massachusetts. Mr. Speaker, on Tuesday, September 12, 1995, my office was advised that Mr. Michael Wallace, a participant in the Gordon Bennett balloon race, had been forced to land his balloon in Belarus, part of the former Union of Soviet Socialist Republics.

I later learned that a second balloon, flying under the flag of the Virgin Islands, had been shot down and its occupants had been killed.

After numerous contacts with officials of the American Embassy in Mensk, I was advised that Mr. Wallace had been reunited with his chase crew and that he had been accompanied by diplomatic officials to the Poland-Belarus border where he was released to begin his return to the United States.

I met personally with Mr. Wallace yesterday morning and he has been able to provide me with information which confirms my earlier appraisal that these incidents should never have occurred.

Mr. Wallace has provided my office with the formal approval which had been given by Belarus for contestants of this balloon race to fly over their country. Furthermore, Mr. Wallace is convinced that Alan Fraenckel and John Stuart-Jervis, the operators of the Virgin Islands balloon, would most certainly have landed their craft had they been given an opportunity to do so.

Mr. Speaker, these events which took place in Belarus last week cannot go unchallenged. I am calling today for a complete investigation by the State Department of these unwarranted acts of aggression by the Belarusan military. I hope that this investigation will force the country of Belarus to hold the parties who participated in these senseless acts responsible for their actions.

INTRODUCTION OF LEGISLATION TO REFORM MEDICAID

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

Mr. WATTS of Oklahoma. Mr. Speaker, this morning I would like to talk about Government program ''A.'' Can you guess what Government program ''A'' is? Here are some hints: First and foremost, it is a bureaucratic nightmare.

Second, it is riddled with fraud. In fact, the U.S. Justice Department estimates that nearly 10 percent of its money is lost to fraud every year.

Third, its rate of growth is both astronomical and unsustainable.

What is Government program ''A''? Well, given my clues I know there are a lot of candidates, but today I am speaking about Medicaid.

And today, Republicans will introduce legislation to reform Medicaid. We will save costs by eliminating needless bureaucracy, cutting fraud and abuse, and allowing State and local officials to run the program in the most efficient manner possible. Mr. Speaker, I urge my colleagues on both sides of the aisle to support this important reform effort.

A SAD DAY IN AMERICA

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

Mr. TRAFICANT. Mr. Speaker, sometimes writers labor for years to get their manuscripts published and never get a chance. But in America, if you blow up a few people and terrorize a nation, you become Ernest Hemingway overnight.

That is right. Just ask the Unabomber. The Unabomber, who killed at least 3 people, injured at least 23 others over a period of 18 years, demanded that his manuscript be published, and major newspapers around the country, fearing more violence, obliged.

What is next Mr. Speaker? Will the Unabomber demand time on Larry King? I say it is a sad day in America when our newspapers have to protect the public. The truth is, while the FBI is hiding behind the fifth amendment, the Unabomber is qualifying for Social Security as a terrorist.

Beam me up, Mr. Speaker.

AMERICAN PEOPLE REAFFIRMING IDEAS THAT MAKE AMERICA GREAT

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

Mr. HILLEARY. Mr. Speaker, last November when the American people went to the polls, they began the process to totally change their Government. They were not consumed by some vicious desire to destroy Government. Quite the opposite. Last November the American people reaffirmed the ideas that make America a great country: freedom from oppressive Government and a strong commitment to family and personal responsibility.

The American people have come to identify the Democrat Party as being opposed to those ideas. Liberal Democrats clamor for more Government. But they fail to recognize that more Government means less freedom. Fortunately, there are Democrats that are beginning to see the light of day.

Since the November election, 132 elected Democrats have become Republicans. The latest to join the Republican ranks are Tennessee State Senators Milton Hamilton and Rusty Crowe. This gives Republicans control of the Tennessee Senate for the first time since reconstruction.

We heartily welcome the senators. They have joined a party that believes in traditional American values, one that does not see a Government program behind every problem.

MEDICARE: BULLDOZING, NOT LEGISLATING

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

Mr. FAZIO of California. Mr. Speaker, as we heard this morning, Republicans are calling on us to consider changing Medicare and Medicaid, and yet they really do not want a debate or they would schedule hearings to consider these very fundamental issues. One day of hearings on Medicare, none in the Committee on Commerce, on Medicaid. I had to go to the Webster's Dictionary to find a term that seems to fit the circumstance. ''Audacity: bold or arrogant disregard of normal restraints.'' Maybe the better term would be gall, gall that creates rancor and bitterness; boldness coupled with impudent assurance and insolence.

The American people, 37 million of them on Medicare, ought to be reacting with rancor because they are not being allowed to participate in this very fundamental debate about how a program that is essential to this country and to all of our senior citizens will be adjusted.

Certainly it is appropriate to have it on our agenda. But are we just going to take bills introduced today on Medicaid and pass them in a week? That is not legislating, that is bulldozing.

REPUBLICANS ESTABLISHING PRIORITIES

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

Mr. RIGGS. Mr. Speaker, liberal Democrats are content to let Medicare go bankrupt. Some even deny the importance of the report by the Medicare trustees that show that Medicare will be bankrupt by the year 2002.

This is unacceptable. This is a total denial of reality. Liberal Democrats would rather sit back and watch Medicare go bankrupt than gather up the courage to save this program. They would rather demagogue than lead.

There is no excuse for this inaction. Medicare must be saved and strengthened for current and future seniors. Over 35 million Americans depend on Medicare right now. If we do nothing, as the liberals suggest, those 35 million Americans will have no Medicare in 7 years. It will be bankrupt. What will liberals tell our grandparents then?

Mr. Speaker, since the beginning of this Congress Republicans have tried to reestablish priorities. Surely our parents and grandparents come before petty politics and demagoguery, and that is why we will save and strengthen Medicare.

INTRODUCTION OF LEGISLATION PROTECTING THE RIGHT OF PATIENT CHOICE

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

Mr. BROWN of Ohio. Mr. Speaker, hold on to your wallets, middle America.

The Republican proposal to cut billions of dollars in Medicare and Medicaid is Robin Hood in reverse.

It takes from the poor and the middle class to give tax breaks to the richest people in America.

Senior citizens will pay higher premiums and higher deductibles if the Republicans get their way with Medicare.

The Senate Republicans, meanwhile, would force America's senior citizens into managed care plans.

I have introduced a bill that would protect the right of patient choice so you can choose your own doctor instead of being forced into managed care.

Everybody agrees that we need to put the Medicare Program on a strong actuarial basis.

But the Republican proposal just does no get the job done.

The Republican plan deserves to go down to defeat.

THE CAREERS BILL

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

Mr. GOODLING. Mr. Speaker, since we have so little time today to discuss

the CAREERS bill, which may be one of the most important pieces of legislation that comes before the House in this session, I would like to just call your attention to one area.

There are those who are working diligently to keep the monopoly that the State voc rehab people now have and enjoy that is totally opposite of what the disability community wants.

So I would hope, when you listen today, you will think about what we have received in a letter from ARC, which is formally known as the Association for Retarded Citizens of the United States. This is what they say:

> To delink the vocational rehabilitation system from this new system in careers will only serve to isolate the VR system and people with mental retardation from employers. No one would gain except those professionals in the voc rehab system whose agenda is to protect turf. We do not think that is what reform is all about.

THE AMERICAN PEOPLE DESERVE AN INVESTIGATION, NOT A WHITEWASH

(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, after months of stonewalling, Republicans on the House Committee on Standards of Official Conduct have reportedly agreed to appoint an outside counsel to investigate the allegations against Speaker NEWT GINGRICH. That is the good news. The bad news is Republicans on the committee now want to limit the scope of that investigation. In other words, they want to hire an outside counsel, but then they want to tie his or her hands.

In 1988, when another Ethics Committee investigation into another Speaker, considered doing the same thing, here is what NEWT GINGRICH had to say:

> The American public, deserve an investigation which will uncover the truth. At this moment, I am afraid that the apparent restrictions placed on this special counsel will not allow the truth to be uncovered.

Let us hold the investigation of Speaker GINGRICH to the standards he himself set. Appoint an independent outside counsel. The American people deserve an investigation, not a whitewash.

POINT OF ORDER

Mr. EHLERS. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore (Mr. FOLEY). The gentleman will state his point of order.

Mr. EHLERS. Mr. Speaker, my point of order is that the gentlewoman from Connecticut [Ms. DELAURO] is speaking out of order and discussing a matter that is currently before the Committee on Standards of Official Conduct.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. EHLERS] is correct. Members should not refer to issues pending before the Committee on Standards of Official Conduct.

FOLLOW THE SAME RULES MR. GINGRICH ASKED FOR BACK IN 1988

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

Mr. BONIOR. Mr. Speaker, today's New York Times reports that the Committee on Standards of Official Conduct has finally decided to appoint an outside counsel to investigate Speaker GINGRICH. In 1988, Mr. GINGRICH himself offered some advice on how much authority outside counsel should have.

POINT OF ORDER

Mr. EHLERS. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. EHLERS. My point of order is that the Member is proceeding to discuss a matter pending before the Committee on Standards of Official Conduct and that is out of order.

The SPEAKER pro tempore. Members shall refrain from discussing issues pending before the Committee on Standards of Official Conduct.

Ms. DELAURO. Mr. Speaker, I wish to be heard on a point of order.

The SPEAKER pro tempore. The gentlewoman from Connecticut [Ms. DELAURO] will state her point of order.

Ms. DELAURO. Mr. Speaker, on March 8, 1995, Speaker GINGRICH announced a new policy concerning speech on the House floor. Let me quote directly from his announcement:

> The fact is, Members of the House are allowed to say virtually anything on the House floor . . . It is protected and has been for 200 years . . . It is written into the Constitution.

My point of order is: Does this new policy apply in this case?

The SPEAKER pro tempore. The Chair informs the gentlewoman from Connecticut that the Chair has properly related the rules of the House as interpreted from the Chair.

Ms. DELAURO. So that the rules of the House have changed since 1988 when the Speaker at that time was able to make his comments?

The SPEAKER pro tempore. The rules of the House have not changed. The rules of the House are being enforced.

Ms. DELAURO. Mr. Speaker, the rules of the House in 1988 allowed the then Mr. GINGRICH to make his comment about an investigation before the Committee on Standards of Official Conduct. Have the rules of the House now changed?

The SPEAKER pro tempore. The Chair is not aware of any point of order at that time. The rule is currently being enforced in response to a point of order.

The gentleman from Michigan [Mr. BONIOR] may proceed in order.

Mr. BONIOR. Let me then, Mr. Speaker, refer, if I might, to the history going back to 1988 and the then-Member from the State of Georgia, Mr. GINGRICH, offering advice on how much authority an outside counsel should have.

He wrote,

> The outside counsel should have full authority to investigate and present evidence and arguments before the ethics committee concerning the question arising out of the activities of (at that time) Speaker Wright. It should have full authority to organize and hire staff. It should have full authority to review all documentary evidence available from any source and have full cooperation from the committee. The committee shall give the outside counsel full cooperation in the issuance of subpoenas.

Mr. Speaker, I call upon my colleagues and this Committee on Standards of Official Conduct to follow the same rules that the gentleman from Georgia [Mr. GINGRICH] has asked back in 1988.

IT IS ABOUT TIME

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

Mr. LEWIS of Georgia. Mr. Speaker, news reports today suggest that the House Ethics Committee, composed of five Republicans and five Democrats, has concluded they must hire an outside counsel to investigate Speaker GINGRICH. All I can say is, it's about time.

Now, however, there are those who would limit the scope of the outside counsel's investigation, tying his or her hands.

POINT OF ORDER

Mr. EHLERS. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. EHLERS] will state his point of order.

Mr. EHLERS. Once again, Mr. Speaker, I rise to make the point of order that the gentleman has mentioned a case pending before the Committee on Standards of Official Conduct and it is not in order to make those comments.

Mr. LEWIS of Georgia. Mr. Speaker, tell me why I am being muzzled. Tell me why there is a conspiracy to silence me.

The SPEAKER pro tempore. The Chair will ask the gentleman to refrain from references to issues pending before the Committee on Standards of Official Conduct. That is the precedent and the rule of the House.

PARLIAMENTARY INQUIRY

Mr. BONIOR. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BONIOR. Mr. Speaker, the question I pose to the Chair to help clarify this so we can have a legitimate and coherent debate on this issue, if in fact it is relevant; the question I pose to the distinguished Speaker this morning is: Is it in fact all right for Members to

address something that occurred back in 1988 with respect to the actions of a Member of this House with regard to the scope and inquiry of one of its committees?

The SPEAKER pro tempore. Members may not refer to the current ethical standing of other Members of this House.

Mr. BONIOR. So, further requesting a parliamentary inquiry, Mr. Speaker, if we are talking about something that occurred back in 1988, that obviously is not current, and the gentleman from Georgia would be in order to talk about what was suggested by Speaker GINGRICH back in 1988.

The SPEAKER pro tempore. Unless it is in reference to an ethical situation of a Member that is still in the House.

Mr. BONIOR. That Member certainly is not in the House at this point, so I would assume from that answer, Mr. Speaker, that the gentleman from Georgia [Mr. LEWIS] would be within the bounds of the Chair's ruling to discuss the comments made in 1988 by the Speaker.

The SPEAKER pro tempore. The Chair has already ruled that the Members shall refrain from addressing any issue that is pending before the Committee on Standards of Official Conduct relating to, a current Member of this Congress.

The gentleman from Georgia [Mr. LEWIS] may proceed on order.

Mr. LEWIS of Georgia. Let me quote what Speaker GINGRICH said in 1988 about the investigation of Speaker Wright:

> I am concerned that the scope, authority and independence of the special counsel will be limited by the guidelines the Ethics Committee has established.

Gingrich went on—

> The House of Representatives, as well as the American public, deserve an investigation which will uncover the truth. At this moment, I am afraid that the apparent restrictions placed on this special counsel will not allow the truth to be uncovered.

Speaker GINGRICH was right then, and the same rules should apply today. Let the special counsel uncover the truth. If the Speaker has nothing to hide, do not limit the scope of the special counsel's investigation.

HURTFUL COMMENTS

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

Mr. ENGEL. Mr. Speaker, just this past weekend, the Speaker of the House, the gentleman from Georgia [Mr. GINGRICH], made some very hurtful and intemperate remarks about New York, New York City and New York State, for which he has apologized, but frankly the hurt is still there.

The Speaker said that New York was ''a culture of waste for which they expect us to send a check and that this country is not going to bail out habits that have made New York so extraordinarily expensive.''

I want to say to the Speaker that New York City and New York State for many, many years has been sending the Federal Government much more than it is getting back; in fact, to the tune of $9 billion. New York sends and New York State sends to the Government much more than it gets back.

The State of Georgia, quite frankly, sends $1 billion less than it gets, $1 billion less than it gets. So Georgia is a net gain in terms of Federal largess and New York is a net loser. In fact, in the Speaker's district, that district has received more pork frankly than any other district.

Let me just say we should be very careful before we make such hurtful statements, and let me say the Speaker is now in New York raising money. If he detests us so, he ought not to do that, and I hope his budget would change and that New York would get some more help.

PROVIDING FOR CONSIDERATION OF H.R. 1617, CAREERS ACT

Mrs. WALDHOLTZ. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 222 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 222

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1617) to consolidate and reform workforce development and literacy programs, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Economic and Educational Opportunities. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment recommended by the Committee on Economic and Educational Opportunities now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of H.R. 2332. That amendment in the nature of a substitute shall be considered by title rather than by section. The first six sections and each title shall be considered as read. Points of order against that amendment in the nature of a substitute for failure to comply with clause 5(a) of rule XXI or section 302(f) or 401(b) of the Congressional Budget Act of 1974 are waived. Before consideration of any other amendment it shall be in order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Goodling or his designee. That amendment shall be considered as read, may amend the portions of the bill not yet read for amendment, shall be debatable for ten minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against that amendment are waived. After disposition of that amendment, the provisions of the bill as then perfected shall be considered as original text. During further consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1030

Mrs. WALDHOLTZ. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 222 is the rule for the consideration of H.R. 1617, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, better known as the CAREERS Act.

This is an open rule. It provides for 1 hour of general debate, to be divided between the chairman and ranking minority member of the Committee on Economic and Educational Opportunities. After general debate, the bill will be considered for amendment under the 5-minute rule. The bill will be considered by title. The first six sections in each title now printed in the bill shall be considered as read. The rule provides priority recognition for Members who have preprinted their amendments. Finally, the rule provides for a motion to recommit with instructions.

This bill will consolidate more than 150 existing separate, duplicative and fragmented education and job training programs into four consolidated grants to the States. It represents a dramatic improvement over current law not only by consolidating so many different programs but also by providing States and local communities with greater opportunity and flexibility to design programs to meet the needs of their citizens, rather than the needs of the Federal Government.

This bill will also turn two Government sponsored enterprises ''Sallie Mae''—the Student Loan Marketing Association—and ''Connie Lee''—the College Construction Loan Insurance Association—entirely over to the private sector. And last, but certainly not least, this bill reduces the Federal deficit by cutting bureaucracy and waste, saving $6.5 billion over 5 years with no disruption of service to individuals.

This rule provides for full, fair, and open debate and is brought up under an

open rule at the request of the chairman. Concerns have been raised about how the needs of individuals with disabilities will be addressed under H.R. 1617. This open rule will permit thorough consideration of this and other important issues by allowing amendments to be offered on the floor for consideration by the full House.

I urge my colleagues to adopt this rule. It permits for the fair consideration of a bill that will provide for a better prepared and more knowledgeable work force—benefiting both the American people and American business. At the same time, it protects the right of Members to offer amendments for consideration by the full House.

Mr. Speaker, I include for the RECORD the following statistical information from the Committee on Rules:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of September 18, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open[2]	46	44	46	74
Modified Closed[3]	49	47	14	23
Closed[4]	9	9	2	3
Totals:	104	100	62	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of September 18, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95)
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95)
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95)
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95)
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95)
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95)
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95)
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps.	PQ: 236–194 A: 234–192 (6/29/95)
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95)
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95)
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95)
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95)
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95)
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95)
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95)
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95)
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95)
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95)
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95)
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95)
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95)
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95)
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95)
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95)
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95)
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

(Mr. HALL of Ohio asked and was given permission to revise and extend his remarks.)

Mr. HALL of Ohio. Mr. Speaker, I would like to commend my colleague from Utah, Mrs. Waldholtz, as well as my colleagues on the other side of the aisle for bringing this resolution to the floor.

House Resolution 222 is an open rule which will allow full and fair debate on H.R. 1617, a bill to consolidate and reform work force development and literacy programs.

As my colleague from Utah has ably described, this rule provides 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Economic and Educational Opportunities.

Under the rule, germane amendments will be allowed under the 5-minute rule, the normal amending process in the House. All Members, on both sides of the aisle, will have the opportunity to offer amendments. I am pleased that the Rules Committee reported this rule without opposition in a voice vote and I plan to support it.

Though I support the rule, I have reservations about a number of provisions in the bill.

First, I am concerned about the overall cuts in the authorization level for Federal employment and training programs. Job training is an investment that will pay off in more productive citizens and increased human capital. We all agree that deficit reduction is important for the benefit of the next generation. However, the same can be said for education.

Second, I oppose title V, which amends the Rehabilitation Act of 1973. I have heard from a number of citizens with disabilities in my district as well as national organizations that represent persons with disabilities. They fear that rewriting the law will reduce the effectiveness of existing employment-related services.

Third, I am concerned about the repeal of the School-to-Work Opportunities Act, which was just enacted last year with bipartisan support. This legislation helps States and local school districts create programs to prepare students for the world of work who do not go on to college. This is the kind of legislation that gets the most bang for the buck because the program provides only the seed money.

Mr. Speaker, this open rule will permit full discussion of these issues and give Members an opportunity to amend the bill. I urge adoption of the rule.

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

Mrs. WALDHOLTZ. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Economic and Educational Opportunities.

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

Mr. GOODLING. Mr. Speaker, I rise in support of the rule to H.R. 1617, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, better known as CAREERS.

The rule we are considering today provides for an open, fair debate on this historic legislation. The bill represents an historic turning point for this Congress because CAREERS consolidates more than 150 existing separate, duplicative and fragmented education and job training programs into four consolidated grants to the States.

Never before has the Committee on Economic and Educational Opportunities agreed to consolidate and repeal so many existing programs under its jurisdiction. The CAREERS Act represents significant improvements over current law, not only by consolidating so many different programs, but also by recognizing that States are different and the needs of their individuals are different. The CAREERS Act promotes maximum flexibility for States while ensuring that they are held accountable for results through performance measurements they develop.

Mr. Speaker, I would like to take a few minutes to talk a little bit about some of the criticisms that you will probably hear during the debate, and I would like to take them head on.

There are some who believe we should maintain the status quo as far as vocational rehabilitation is concerned. In other words, keep the current overly bureaucratic system that fails to find jobs for more than two-thirds of the disabled people it serves in meaningful jobs. No doubt many Members have heard from interested parties on this issue in the past few days, but I ask you to keep in mind they are hearing primarily from the bureaucrats who provide these services.

Our bill sides with the consumers of vocational rehabilitation services. Let me read to you a letter from ARC, formerly known as the Association for Retarded Citizens of the United States, concerning efforts to strike vocational rehabilitation from this bill, and I quote

> To delink the vocational rehabilitation system from this new system in CAREERS will only serve to isolate the VR system and people with mental retardation from the employers. No one would gain except those professionals in the VR system whose sole agenda is to protect turf. We do not think that is what reform is all about.

I could not have said it better myself.

Some have complained that the bill could lead to mandatory Federal tracking forcing students into particular occupations at a very early age. To address that issue we have added the following provisions to the bill. 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. The bill does not mandate trapping.

We have heard from various Members concerned about privacy of labor market and other data collected under the legislation. We have added specific language restating title XIII of the Census Act relating to confidentiality of information, and added language ensuring that this act is consistent with the Family Education Privacy Act.

There have been some concerns expressed about the skills standards provisions of the bill. Our bill recognizes that because work force development programs are all about preparing individuals for careers, we must increase the involvement of business and industry, both small and large, in the design and implementation of State and local work force preparation programs. It is essential that employers identify the skills needed in the workplace in order that employment and training assistance programs are relevant and useful. As such, we included provisions in the bill that tied program performance to providing the skills that have been recognized by industry as necessary to perform in a specific occupation.

Mr. Speaker, we also say that program participants may, I repeat, may, receive skill certificates, portable credentials that certify an individual has mastered the occupational skills identified by employers as necessary to do the job. We do not require, however, that any individual must receive such certificates or that any employer must accept or use skill certificates in making hiring decisions. We also add language to the bill clarifying that skill certificates shall not replace high school diplomas or GED's.

There are other issues I will bring forth later on. One other I might mention, maintenance of effort, is always very difficult. It is particularly difficult when you are talking about downsizing the amount of expenditures coming from the Federal Government. It would seem that if the Federal Government cuts back, then when we talk about maintenance of effort, we should also allow the States to cut back an equal amount, and if we do not, then of course we have unfunded mandates.

Finally, one of the big issues that Members, particularly those from the other side of the aisle, may raise concerns a provision that allows Governors to transfer 10 percent of their funds between the youth and the adult training blocks, first, let me make it clear that under this transfer authority, transferred funds must be spent at the local level.

Second, it is important that everyone knows exactly why we add the provision to the bill. That is to allow States additional flexibility to determine how best to meet the educational and training needs of their particular State. This is particularly important during this time of substantial cutbacks in Federal job training funds.

I might mention, I agree with the minority member, who earlier indicated a concern about the amount of money only in the youth block, but hopefully, as we go through conference, that will be restored. It was somewhat restored on the floor of the House; hopefully, more will be restored when we complete our conference.

□ 1045

Mr. HALL of Ohio. Mr. Speaker, I yield 5½ minutes to the gentleman from Texas [Mr. DOGGETT].

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

Mr. Speaker, I rise in support of this rule, which allows for open debate, and in support of the general direction of this bill. I think we have had too many job training programs that have been duplicative, that have been overlapping. I think the concept of this bill is a good one in merging those, a concept that supports some of the evaluation that, frankly, has not occurred in the past with reference to many of these programs.

The one very significant exception though that I would note to that support and on which I would focus public attention is the way that we handle the training programs for people with disabilities across this country.

I believe that the amendment that my colleague, the gentleman from Texas, Mr. GENE GREEN, will offer to except vocational rehabilitation from the coverage of this one-stop bill to deal with some of the unique problems that our citizens with disabilities have is the approach that we must adopt.

I am sure that there are people that are involved in one training program or another that have views on this subject. I have heard from some of them. But the most compelling stories are the stories that I have heard from people with disabilities themselves. They have been coming out to see me as I visit around my home of Austin, TX.

This last weekend, recognizing that the Federal building may be a bit pretentious, I took my office out to the neighborhood and held office hours on a Saturday morning in front of a grocery store. I had a number of people with disabilities who came out. I expect they were concerned mainly about the way they are going to be hit on Medicare, since they, along with seniors, rely on Medicare, and it will reach into their pocket with this Republican plan to require that they pay more and get less under Medicare. But the second concern that they voiced, and a very real one, is having vocational rehabilitation lumped into House bill 1617.

Last Saturday one of the people who came and talked to me during these grocery store hours in north Austin was Doris Varnell. Doris is a woman who lives in Austin, and who at age 40 was diagnosed with multiple sclerosis. Despite the debilitating effects of this terrible disease, she was determined to continue to work.

She told me that without the support of the Texas Rehabilitation Commission, TRC, as we call it in Texas, she is not sure that she could ever have made the first tough job search. You see, she was accustomed to being a person without disabilities, and like any of us, who are just one accident or one unfortunate illness away from a disability, she was a person who lived without disability and now confronted disability and had to adapt to that and find out how to overcome that disability. She turned for the first time at a very scary time in her life to the Texas Rehabilitation Commission and found a way to avoid painful discrimination and found a way to benefit from the special services that have served her and have served literally hundreds of thousands of Texans, as they have served millions of Americans across this country. In fact, during the time the vocational rehabilitation system has been in effect in America, it has served and gotten into our work force some 9 million Americans.

Every year, vocational rehabilitation gives 200,000 more Americans the opportunity to serve in the work force, despite of and in fact overcoming their disabilities.

We hear so much in this Congress about the SSI Program under Social Security. Well, 40,000 people come off of SSI every year as a result of the services of vocational rehabilitation. All of this has been accomplished with a network of State vocational rehabilitation services, recognizing some of the unique needs of people with disabilities. In essence, we already have a block grant program for vocational rehabilitation. I fear that some have taken such a blockheaded approach to block grants that they are now going to block grant a block grant program.

This is a solution without a problem when it comes to people with disabilities in Texas. We already have a Federal block grant program going to the Texas Rehabilitation Commission. It provides unique services to meet the needs of people with disabilities. It does it well. It does it efficiently. It does it with local input and support and consultation with local groups involved with people with disabilities, and that is the way it ought to continue to occur.

I realize the appeal of a one-stop career center, and I think that that is appropriate for people who are unskilled, who are undereducated. But I am concerned that someone who faces multiple sclerosis, who has some other type of mental or physical disability, needs more than one stop. They may need extra assistance to deal with their disabilities and find a way to convince employers of how much they contribute.

Mr. Speaker, the truth is that we have a system that works very well right now to meet the needs of people with disabilities. It involves people who are skilled as counselors in working with people with disabilities, and in the course of adopting a bill that has much merit, let us not destroy this hope that is out there of meeting the special needs of people with disabilities. Let us support the amendment of the gentleman from Texas Mr. GENE GREEN, to preserve a system that works and works well for people with disabilities.

Mrs. WALDHOLTZ. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from California [Mr. RIGGS], a member of the Committee on Economic and Educational Opportunities.

Mr. RIGGS. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I want to thank our leadership for making time in our very busy schedule for this legislation to come to the floor. This is a good rule. It obviously continues our tradition in the 104th Congress of open rules under the Republican majority. I want to urge my colleagues to support the rule and the underlying bill, H.R. 1617, the CAREERS Act.

This has been very much in its development stages a bipartisan bill. We were able to report the bill out of the Committee on Economic and Educational Opportunities on a bipartisan basis. We have received a tremendous amount of assistance from the administration in crafting the bill, and I particularly want to salute Doug Ross, who is the immediate past assistant Secretary of Labor for Employment and Training for his role in helping us craft this legislation. It is ironic, just to underscore the bipartisan nature of the bill, that we have also been working with Robert T. Jones, the vice president of the National Association of Business, who was the Assistant Secretary of Labor for Employment and Training in the Bush administration. Again, I think that underscores the bipartisan nature of this bill.

We have worked very hard in crafting the legislation to address the concerns of various interest groups. We have worked closely with the Governors, the National Governors Association, and various family and value oriented groups. We have always listened carefully to what the business community has had to say about how we can improve upon the existing service delivery system for job training programs.

As the chairman of the committee, the gentleman from Pennsylvania [Mr. GOODLING], stressed, we have taken these 160-some odd separate Federal job training programs, what are called categorical programs, spread across 146 different Federal agencies and departments, and consolidated them into four block grants. The idea behind that is to give the States and Governors much more say and flexibility in designing and running these programs, and we have also included in the bill the idea of an individual voucher for job training recipients, what we call a career grant.

This is a very important concept, because what we are really trying to do is tell American workers that they will have a greater say in determining what kind of career training or work force preparation is right for them.

This is, again, a bipartisan concept that harkens back to the Bush administration. In the Bush administration, they first proposed a concept of a GI bill for workers, and this concept has

continued in the present administration with the President and Secretary Reich pushing hard for the concept of skill grants. Again, we have been able to embody that concept, although we call it career grants, a slightly different term, in this legislation.

Now, this legislation focuses in on several different groups of job training recipients. Of course, first and foremost are unemployed workers. In the legislation we take an employment first approach. We are trying to get these folks back into the work force as soon as possible.

We are also trying to help disadvantaged youth, those youth that are at risk of dropping out of school, particularly in the face of all the recent evidence suggesting that some degree of post-secondary educational attainment and computer literacy, or some computer skills, are absolutely essential to a young person's chances for competing and succeeding in an increasingly global economy. We think we can do a much better job with this bill of serving youth, particularly those, 70 to 75 percent of our young people, who are not college-bound or who, if they go to college, will drop out.

We are also working diligently in the legislation to help those who are extremely disadvantaged, either those who are disabled and must overcome certain physical and mental and architectural barriers to find gainful employment in the work force. We are trying to help those who are illiterate by having a separate block grant that is targeted to adult education and illiteracy.

We have good accountability and performance standards in the legislation that gives States and local communities a much greater say in determining what the performance standards should be based on local conditions, but we do require in the legislation the States after setting those goals, in consultation with local communities, to show continuous improvement and progress above the baseline that has been established.

Mr. Speaker, this is good legislation. Again, I urge support of the rule and support of the bill. This bill goes a long way toward improving the productivity of American workers, and therefore the quality of life or the standard of living for American workers. We will look forward as we get into the debate on separate amendments talking about in more detail about the bill. I urge my colleagues to support the rule and the bill.

Mr. BALLENGER. Mr. Speaker, I rise in support of the rule and in support of H.R. 1617. The Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act or CAREERS is quite an elaborate name for legislation aimed solely at simplifying and improving our current maze of job training and employment assistance programs. As a Member of the House who acknowledges the direct correlation between program design and program success, I urge all of my colleagues to listen closely to this debate today and decide to vote in favor of creating a well-designed model for the deliverance of job training and employment assistance services.

We currently refer to our various fragmented job training and employment-related programs as ones formulating a system, which is laughable because the word system implies that there is some from of orderly program interaction taking place. This is not the case. The U.S. General Accounting Office [GAO] has identified 163 different programs, totaling $20 billion, which offer some type of career related, education, job training or employment assistance to youth and adults. Further, the Associate Director for Education and Employment issues at GAO recently testified that the current employment, training assistance programs are narrowly tailored, leaving programs to compete for clients and funds. He then, in his testimony, went on to question the system's overall efficiency.

A potluck approach to Federal job training and employment assistance is a disservice to the adults and youth looking to utilize these programs. The CAREERS bill offers us a chance to streamline, improve the Federal effort in this important area. We will be working through this legislation to create a real training and employment system, equipped with easy customer access and choice. No one should be faced with a maze of noncoordinated programs when progressing toward employment objectives. CAREERS requires States and local work force development areas to establish integrated career center systems in which individuals may obtain services and familiarize themselves with the State's work force development system. This integrated system is user friendly and enables individuals to gain quick access to all parts of the system. Let us be clear, CAREERS does not mandate that you establish one-stop centers. Under CAREERS, one could enter the State career system through a colocated center, one-stop center or through an electronically linked affiliated site. The legislative intent is the creation of an integrated system where the user is best served.

I think it is important to point out that when we talk of an integrated system, we are not advocating the creation of a generic delivery system, one unable to meet the needs of the diverse people who will ultimately use these programs. The block grants included in CAREERS are all structured to assure that attention is focused on the four, distinct populations seeking service. Clearly, the one-size-fits-all approach will not work in this area. I am pleased that CAREERS not only allows for local control, customer choice, and customer accessibility but is also wisely structured so that diverse populations may be served.

I urge my colleagues to support the rule and look forward to passage of H.R. 1617, the CAREERS.

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

Mrs. WALDHOLTZ. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. FOLEY). The question is on adoption of the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 2, not voting 44, as follows:

[Roll No. 664]

YEAS—388

Abercrombie	DeFazio	Hilleary
Ackerman	DeLauro	Hilliard
Allard	DeLay	Hinchey
Andrews	Dellums	Hobson
Archer	Deutsch	Hoekstra
Armey	Diaz-Balart	Hoke
Bachus	Dickey	Horn
Baesler	Dicks	Hostettler
Baker (CA)	Dingell	Houghton
Baker (LA)	Doggett	Hoyer
Baldacci	Dooley	Hunter
Ballenger	Doolittle	Hutchinson
Barcia	Doyle	Hyde
Barr	Dreier	Inglis
Barrett (NE)	Duncan	Istook
Bartlett	Dunn	Jackson-Lee
Barton	Durbin	Jacobs
Bass	Edwards	Johnson (CT)
Bateman	Ehlers	Johnson (SD)
Becerra	Ehrlich	Johnson, E. B.
Beilenson	Emerson	Johnson, Sam
Bentsen	Engel	Johnston
Bereuter	English	Jones
Berman	Ensign	Kanjorski
Bevill	Eshoo	Kasich
Bilbray	Evans	Kelly
Bilirakis	Everett	Kennedy (MA)
Bishop	Ewing	Kennedy (RI)
Bliley	Farr	Kennelly
Blute	Fattah	Kildee
Boehlert	Fawell	Kim
Boehner	Fazio	King
Bonilla	Fields (TX)	Kleczka
Bonior	Filner	Klink
Bono	Flake	Klug
Borski	Flanagan	Knollenberg
Boucher	Foglietta	Kolbe
Brewster	Foley	LaFalce
Browder	Forbes	LaHood
Brown (CA)	Fox	Largent
Brown (OH)	Franks (CT)	Latham
Brownback	Franks (NJ)	Laughlin
Bryant (TX)	Frelinghuysen	Lazio
Bunn	Frisa	Leach
Bunning	Frost	Levin
Burr	Funderburk	Lewis (CA)
Burton	Furse	Lewis (KY)
Buyer	Gallegly	Lightfoot
Calvert	Ganske	Lincoln
Camp	Gekas	Linder
Canady	Gephardt	Lipinski
Cardin	Geren	Livingston
Castle	Gilchrest	LoBiondo
Chabot	Gillmor	Lofgren
Chambliss	Gilman	Longley
Chenoweth	Gonzalez	Lowey
Christensen	Goodlatte	Lucas
Chrysler	Goodling	Luther
Clay	Gordon	Maloney
Clayton	Goss	Manton
Clement	Graham	Manzullo
Clinger	Green	Markey
Coble	Greenwood	Martini
Coburn	Gunderson	Mascara
Coleman	Gutierrez	Matsui
Collins (GA)	Gutknecht	McCollum
Combest	Hall (OH)	McCrery
Conyers	Hall (TX)	McDade
Cooley	Hamilton	McDermott
Costello	Hancock	McHale
Cox	Hansen	McHugh
Coyne	Harman	McInnis
Cramer	Hastert	McIntosh
Crane	Hastings (FL)	McKeon
Crapo	Hastings (WA)	McKinney
Cremeans	Hayes	McNulty
Cubin	Hayworth	Meehan
Cunningham	Hefley	Meek
Davis	Hefner	Menendez
de la Garza	Heineman	Metcalf
Deal	Herger	Meyers

Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—2

Martinez
Stockman

NOT VOTING—44

Barrett (WI)
Brown (FL)
Bryant (TN)
Callahan
Chapman
Clyburn
Collins (IL)
Collins (MI)
Condit
Danner
Dixon
Dornan
Fields (LA)
Ford
Fowler
Frank (MA)
Gejdenson
Gibbons
Holden
Jefferson
Kaptur
Kingston
Lantos
LaTourette
Lewis (GA)
McCarthy
Mfume
Mineta
Moakley
Neumann
Oberstar
Parker
Pryce
Reynolds
Roberts
Rose
Sawyer
Schumer
Sisisky
Torkildsen
Tucker
Visclosky
Volkmer
Wise

☐ 1117

Mr. FOGLIETTA changed his vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. McCARTHY. Mr. Speaker, during roll-call vote No. 664 on H.R. 1617 I was unavoidably detained. Had I been present I would have voted ''yea.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed on Monday, September 18, 1995, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 402 by the yea and nays, H.R. 1091 by the yeas and nays, H.R. 260 by the yeas and nays, H.R. 1296 by the yeas and nays, and H.R. 558 by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

ALASKA NATIVE CLAIMS SETTLEMENT AMENDMENTS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and concurring in the Senate amendment to the bill, H.R. 402.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska [Mr. YOUNG] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 402, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 392, nays 10, not voting 32, as follows:

[Roll No. 665]

YEAS—392

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
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 (OH)
Brownback
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
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
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
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
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
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
Tiahrt
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—10

DeFazio
Filner
Furse
Kildee
Obey
Skaggs
Vento
Visclosky
Williams
Yates

NOT VOTING—32

Barrett (WI)
Brown (FL)
Bryant (TN)
Callahan
Collins (IL)
Collins (MI)
Condit
Danner
Dornan
Fields (LA)
Ford
Fowler
Frank (MA)
Gejdenson
Jefferson
Kaptur
Lantos
LaTourette
McCarthy
Mfume
Moakley
Neumann
Oberstar
Parker
Pryce
Reynolds
Sawyer
Schumer
Sisisky
Torkildsen
Tucker
Volkmer

□ 1137

The Clerk announced the following pair:

On this vote:

Ms. Kaptur and Mr. Moakley for, with Mr. Neumann against.

Mr. WILLIAMS and Ms. FURSE changed their vote from ''yea'' to ''nay.''

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. McCARTHY. Mr. Speaker, during rollcall vote No. 665 on H.R. 402 I was unavoidably detained. Had I been present I would have voted ''yea.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

SHENANDOAH VALLEY NATIONAL BATTLEFIELDS PARTNERSHIP ACT OF 1995

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 1091, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah [Mr. HANSEN] that the House suspend the rules and pass the bill, H.R. 1091, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 377, nays 31, not voting 26, as follows:

[Roll No. 666]

YEAS—377

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chambliss
Chapman
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
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
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoke
Holden
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnston
Jones
Kanjorski
Kasich
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
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
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Scott
Seastrand
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—31

Becerra
Beilenson
Chabot
Chenoweth
Christensen
Coburn
Dingell
Ensign
Gonzalez
Gutknecht
Hoekstra
Hostettler
Inglis
Johnson, Sam
Kelly
Klug
Minge
Peterson (FL)
Peterson (MN)
Petri
Roybal-Allard
Royce
Salmon
Scarborough
Sensenbrenner
Stockman
Thornton
Tiahrt
Vento
Visclosky
Waxman

NOT VOTING—26

Barrett (WI)
Brown (FL)
Bryant (TN)
Collins (IL)
Collins (MI)
Dornan
Fields (LA)
Ford
Fowler
Frank (MA)
Gejdenson
Jefferson
Kaptur
Lantos
LaTourette
Moakley
Neumann
Oberstar
Parker
Pryce
Reynolds
Schumer
Sisisky
Torkildsen
Tucker
Volkmer

□ 1148

The Clerk announced the following pair:

On this vote:

Ms. Katpur and Mr. Moakley for, with Mr. Neumann against.

Mrs. CHENOWETH, and Messrs. ENSIGN, INGLIS, and MINGE changed their vote from ''yea'' to ''nay.''

Messrs. WILLIAMS, BACHUS, and PASTOR changed their vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LaTOURETTE. Mr. Speaker, unfortunately, because I was unavoidably detained, I was not recorded on rollcall votes Nos. 664, 665, and 666. However, had I been present I would have voted ''aye'' on each of these measures.

□ 1147

NATIONAL PARK SYSTEM REFORM ACT OF 1995

The SPEAKER pro tempore (Mr. FOLEY). The unfinished business is the question of suspending the rules and passing the bill, H.R. 260, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah [Mr. HANSEN] that the House suspend the rules and pass the bill, H.R. 260, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 180, nays 231, not voting 23, as follows:

[Roll No. 667]

YEAS—180

Abercrombie
Allard
Archer
Armey
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bliley
Boehlert
Boehner
Bonilla
Bonior
Brewster
Bunn
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Christensen
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Franks (CT)
Franks (NJ)
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodling
Graham
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Johnston
Jones
Kasich
Kim
King
Klug
Knollenberg
Kolbe
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
McCrery
McDade
McDermott
McIntosh
McKeon
McNulty
Meehan
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Moorhead
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Obey
Oxley
Packard
Paxon
Pelosi
Peterson (MN)
Pickett
Pombo
Quillen
Radanovich
Rangel
Regula
Riggs
Roberts
Rogers
Rohrabacher
Rose
Roth
Roukema
Royce
Sabo
Salmon
Saxton
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shuster
Skeen
Smith (MI)
Smith (TX)
Smith (WA)
Stark
Stearns
Stockman
Stump
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Vento
Vucanovich
Waldholtz
Walker
Watts (OK)
Weldon (FL)
Weller
Wicker
Wilson
Young (AK)

NAYS—231

Ackerman
Andrews
Bachus
Baesler
Baldacci
Barcia
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blute
Borski
Boucher
Browder
Brown (CA)
Brown (OH)
Brownback
Bryant (TX)
Burr
Cardin
Chapman
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (IL)
Condit
Conyers
Costello
Coyne
Cramer
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Fox
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gephardt
Geren
Gibbons
Gonzalez
Goodlatte
Gordon
Goss
Green
Greenwood
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilleary
Hilliard
Hinchey
Hobson
Holden
Hoyer
Hutchinson
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Kanjorski
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klink
LaFalce
LaHood
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McHale
McHugh
McInnis
McKinney
Meek
Menendez
Mfume
Minge
Mink
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Petri
Pomeroy
Porter
Portman
Poshard
Quinn
Rahall
Ramstad
Reed
Richardson
Rivers
Roemer
Ros-Lehtinen
Roybal-Allard
Rush
Sanders
Sanford
Sawyer
Scarborough
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Skelton
Slaughter
Smith (NJ)
Solomon
Souder
Spence
Spratt
Stenholm
Stokes
Studds
Stupak
Talent
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Visclosky
Walsh
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
White
Whitfield
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff
Zimmer

NOT VOTING—23

Barrett (WI)
Bono
Brown (FL)
Bryant (TN)
Chenoweth
Collins (MI)
Fields (LA)
Ford
Fowler
Frank (MA)
Gejdenson
Jefferson
Kaptur
Lantos
Moakley
Neumann
Oberstar
Parker
Pryce
Reynolds
Sisisky
Tucker
Volkmer

☐ 1157

Messrs. SPRATT, ZELIFF, UPTON, FAZIO, KENNEDY of Rhode Island, and Ms. ESHOO changed their vote from ''yea'' to ''nay.''

So (two-thirds having not voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

PROVIDING FOR THE ADMINISTRATION OF CERTAIN PRESIDIO PROPERTIES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 1296, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah [Mr. HANSEN] that the House suspend the rules and pass the bill, H.R. 1296, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 317, nays 101, not voting 16, as follows:

[Roll No. 668]

YEAS—317

Abercrombie
Ackerman
Allard
Andrews
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Buyer
Callahan
Calvert
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (IL)
Condit
Conyers
Cooley
Cox
Coyne
Cramer
Crane
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Hilliard
Hinchey
Hobson
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lincoln
Linder
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McDade
McDermott
McHale
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Mink
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Nadler
Neal
Nethercutt
Ney
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pombo
Pomeroy
Porter
Portman
Quinn
Radanovich
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Seastrand
Serrano
Shaw
Shays
Shuster
Skaggs
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Spence
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Talent
Tate
Tauzin
Tejeda
Thomas
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Vucanovich
Waldholtz
Walsh
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Williams

Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)

NAYS—101

Archer
Armey
Barcia
Bass
Boehner
Bryant (TN)
Bunning
Burr
Burton
Camp
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Coburn
Collins (GA)
Combest
Costello
Crapo
Deal
DeLay
Dornan
Duncan
English
Ewing
Fawell
Frisa
Funderburk
Goodlatte
Goodling
Gutknecht
Hastert
Hefley
Herger
Hilleary
Hoekstra
Hoke
Hutchinson
Inglis
Istook
Johnson, Sam
Jones
Kingston
Klug
LaHood
Largent
Lewis (KY)
Lipinski
Livingston
LoBiondo
Lucas
Manzullo
McCrery
McHugh
Minge
Molinari
Myers
Myrick
Neumann
Norwood
Nussle
Parker
Paxon
Peterson (MN)
Petri
Poshard
Quillen
Ramstad
Rogers
Rohrabacher
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Sensenbrenner
Shadegg
Skeen
Smith (MI)
Solomon
Souder
Stearns
Stockman
Stump
Tanner
Taylor (MS)
Taylor (NC)
Thornberry
Tiahrt
Upton
Walker
Wamp
Watts (OK)
Whitfield
Wicker
Young (FL)
Zeliff
Zimmer

NOT VOTING—16

Brown (FL)
Collins (MI)
Fields (LA)
Fowler
Gejdenson
Jefferson
Kaptur
Lantos
Meehan
Moakley
Oberstar
Pryce
Reynolds
Sisisky
Tucker
Volkmer

□ 1208

Mr. LIVINGSTON and Mr. POSHARD changed their vote from ''yea'' to ''nay.''

Mr. METCALF changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT CONSENT ACT

The SPEAKER pro tempore (Mr. FOLEY). The unfinished business is the question of suspending the rules and passing the bill, H.R. 558.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado [Mr. SCHAEFER] that the House suspend the rules and pass the bill, H.R. 558, on which the yeas and nays are ordered.

This is the last in a series of 5-minute votes.

The vote was taken by electronic device, and there were—yeas 176, nays 243, not voting 15, as follows:

[Roll No. 669]

YEAS—176

Allard
Andrews
Archer
Armey
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Cardin
Chabot
Chenoweth
Chrysler
Clement
Clinger
Coble
Coburn
Crane
Crapo
Cremeans
Danner
DeLauro
DeLay
Dingell
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fawell
Fields (TX)
Foley
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Geren
Gillmor
Goodlatte
Goodling
Gordon
Graham
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hostettler
Houghton
Hutchinson
Hyde
Inglis
Jackson-Lee
Johnson (CT)
Johnson, Sam
Johnston
Kelly
Kennelly
Kim
King
Klug
Knollenberg
Kolbe
Laughlin
Lazio
Levin
Lewis (KY)
Lightfoot
Lincoln
Longley
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Minge
Molinari
Moorhead
Moran
Myrick
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Pallone
Parker
Paxon
Payne (VA)
Peterson (MN)
Pombo
Pomeroy
Quillen
Roberts
Rogers
Rohrabacher
Royce
Sanders
Sanford
Saxton
Scarborough
Schaefer
Schroeder
Seastrand
Shadegg
Shaw
Shuster
Skeen
Smith (WA)
Solomon
Souder
Stearns
Stenholm
Stump
Tanner
Tauzin
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Waldholtz
Walker
Walsh
Watts (OK)
Weller
Whitfield
Young (AK)

NAYS—243

Abercrombie
Ackerman
Bachus
Baesler
Barcia
Barrett (WI)
Bass
Becerra
Beilenson
Berman
Bevill
Bishop
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (OH)
Bryant (TX)
Burton
Canady
Castle
Chambliss
Chapman
Christensen
Clay
Clayton
Clyburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Cubin
Cunningham
Davis
de la Garza
Deal
DeFazio
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doyle
Durbin
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goss
Gutierrez
Gutknecht
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hoyer
Hunter
Istook
Jacobs
Johnson (SD)
Johnson, E. B.
Jones
Kanjorski
Kasich
Kennedy (MA)
Kennedy (RI)
Kildee
Kingston
Kleczka
Klink
LaFalce
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (GA)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Mink
Mollohan
Montgomery
Morella
Murtha
Myers
Nadler
Neal
Nethercutt
Obey
Olver
Ortiz
Owens
Packard
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Petri
Pickett
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roemer
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sawyer
Schiff
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Spence
Spratt
Stark
Stockman
Stokes
Studds
Stupak
Talent
Tate
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Vucanovich
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
White
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff
Zimmer

NOT VOTING—15

Brown (FL)
Collins (MI)
Fields (LA)
Fowler
Gejdenson
Jefferson
Kaptur
Lantos
Moakley
Oberstar
Pryce
Reynolds
Sisisky
Tucker
Volkmer

□ 1217

Messrs. COOLEY, FOX of Pennsylvania, and STOCKMAN, Mrs. CUBIN, and Mr. BACHUS changed their vote from ''yea'' to ''nay.''

Mr. DELAY changed his vote from ''nay'' to ''yea.''

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

CAREERS ACT

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to House resolution 222 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1617.

□ 1217

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 consideration of the bill (H.R. 1617) to consolidate and reform work force development and literacy programs, and for other purposes with Mr. MCINNIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 30 minutes, and the gentleman from Missouri [Mr. CLAY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA], who has been very active in helping put this bill together.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the legislation, and I want to congratulate both the chairman, the gentleman from Pennsylvania [Mr. GOODLING], and the subcommittee chairman, the gentleman from California [Mr. MCKEON] for their valiant and intelligent work on this issue.

Let me begin by stating my strong support for H.R. 1617, the CAREERS Act, and H.R. 1720, the Privatization Act, which has been combined with H.R. 1617 for floor consideration. In particular, I would like to congratulate Chairman GOODLING and Subcommittee Chairman MCKEON for all of the hard work that they put into the CAREERS Act. Through their efforts, they were able to strike a necessary balance between the block grant approach and the need to ensure that the particular job training and vocational education opportunities of eligible groups are protected.

However, we should not, as some Members suggest, give the States one lump block grant with no strings. As I have said from the outset of setting forth the block grant approach, this is not revenue-sharing, and there must be some measure of Federal accountability, oversight and monitoring. We are not sharing revenue with the States which means that we are not writing blank checks to the Governors so that they or the mayors can set up personal slush funds.

It is for this reason that, as a member of both the subcommittee and full committee, I joined Mr. RIGGS in offering a critical standards and accountability amendment which helps to make sure that those individuals participating in programs under this bill receive the necessary education, skills and training to succeed in today's ever-changing job market.

The Riggs-Roukema amendment which passed during markup attempts to achieve some uniformity in the performance measures of the workforce development and delivery system. Under this amendment, the Secretaries of Labor and Education work with the Governors and representatives from business, industry, education, service, providers, and employees to devise challenging performance indicators that build on the statewide standard systems already contained in the bill. So, in a sense, just as this legislation creates collaborative processes at the state and local level, it will now also be done at the national level.

In order to help ensure that the States are attempting to meet these challenging performance indicators, the Governors must also report to the Secretaries of Labor and Education on how successful the local workforce development boards have been in meeting State goals. And, this gives the appropriate Secretary the opportunity to compare how well the state standards have met these challenge levels as well as to offer recommendations to the states on how to better attain them.

Last, this amendment includes essential withholding of funds language to give States an incentive to achieve the State performance goals contained in the bill. This language is consistent with language included in the recently House passed welfare bill which allowed the Secretary to withhold up to 5 percent of AFDC grant funds from States that did not meet minimum job participation requirements. The Riggs-Roukema language would function similarly by allowing the Secretaries of Labor and Education to withhold up to 5 percent of grant funds from States who show poor performance results.

A second area in which this bill has significantly strengthened our current job training system is through the increased participation of business. Through the collaborative process, business plays a much greater role in helping the Governor devise a State work force development and literacy plan. By designating local work force development areas within which local work force development boards function to serve the needs of that area, this legislation gives communities the opportunity to better serve their local economy needs. And, who knows what types of training and vocational education are needed to fill jobs better than business and industry.

By combining business and industry representatives with representatives of the disabled community, community-based organizations, and employees on the local work force development boards, we help to make sure that those outside of the business community have an important say in the types of training and vocational education eventually provided. But, by making business owners, CEO's, and trade association representatives the majority of these boards, we are saying that, contrary to what Secretary Reich says, getting training does not assure a person of a job. Therefore, it is imperative that job training and vocational education be tailored to job opportunities in surrounding economies, while also providing those participants with the skills needed to compete for better jobs in the future.

With respect to H.R. 1720, the Privatization Act, our committee has made some important changes, such as privatizing Sallie Mae and Connie Lee, and repealing numerous higher education programs that were either previously unauthorized or recommended for termination by the President. However, I would like to mention one area of concern, and that is the repeal of SPRE's [State Postsecondary Review Entities].

Back when we wrote the 1992 higher education amendments, Congress enacted a range of measures designed to ensure the integrity of our title IV program and weed out rampant fraud and abuse in the title IV student loan program. The creation of SPRE's was one such reform which gave State units oversight and review ability of State institutions participating in the title IV program.

Some argue that, under the 1992 provisions, the Department of Education already has the means to investigate eligible institutions and detect fraud and abuse. And, therefore, funding State regulators is wasteful and duplicative. However, having been closely involved in the writing of the 1992 amendments, and knowing full well the extent of abuse in the title IV program, I believe that if a SPRE trigger uncovers that schools which are supposed to be providing quality educational programs are mismanaging Federal student aid dollars, then they are worth having.

But, since SPRE's are no longer authorized or funded, it is even more important that we in no way relax other critical 1992 amendments such as the 85/15 rule and the 3-year 25 percent cohort default rate rule. These reforms have succeeded in ending risk-free Federal subsidies for those who promise students a good education that leads to a good job and then fail to deliver on that promise at the expense of both students and the American taxpayer. Any attempt to relax these or other similar reforms would only be an incentive for schools to go back to the days of old when they got away with major scams. They took in the students, gave them no education that could lead to jobs, then they stuck the taxpayers with the default bills.

In closing, let me again express my strong support for both H.R. 1617 and H.R. 1720. And, let me further take this opportunity to thank committee staff for the tremendous work they put into both bills, but particularly the CAREERS Act and the months of negotiating that its drafting involved. The CAREERS Act makes sure that youths and adults receive the training and education that they need so that they are able to contribute to the work force 10 years from now, and not just in the immediate future.

Once again, I congratulate Chairman GOODLING and Chairman MCKEON for putting together job-training legislation that will help to create better and more secure job opportunities for American families and take us into the 21st century better prepared to compete in the global market.

I urge my colleagues to support its passage.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], one of our leaders.

Mr. BOEHNER. Mr. Chairman, my colleagues, we have today before us the CAREERS bill, and I would like to congratulate my colleagues on both sides of the aisle who have worked diligently this year in order to put this bill together.

As my colleagues know, last November, when the American people decided that they would change Congress, they decided that government in Washington was too large, too expensive, too bureaucratic, and they wanted it straightened out and cleaned up. One of the issues that we have talked about on our side of the aisle for the last couple of years is the issue of job training and job retraining. The fact is that there are 161 job training/retraining programs run by the Federal Government around the country, well-meaning, well-intentioned, trying to do the right thing, but I have got to say I think we have lost our focus, and what the committee is brining before us today is a bill that does provide focus. It moves these programs back to the States where they can be run much more efficiently and more effectively than what we can do here in Washington; and, second, it does bring focus by moving the money into four large block grants for the States to use.

So, Mr. Chairman, this is a giant step in the right direction. It takes the money that the taxpayers have provided, some $25 billion, and puts focus in it, trying to help those in need in

our country that need job training, people who need retraining as their jobs are eliminated, to help maintain their ability to be productive members of our work force, and so, as we look at trying to improve our work force and get our work force ready for the 21st century, this bill could not be any more timely, and I congratulate the chairman of the committee and the chairman of the subcommittee.

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

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

Mr. CLAY. Mr. Chairman, I rise today to offer my views on H.R. 1617, the CAREERS Act. I am cautiously optimistic that we can still produce an acceptable, truly bipartisan bill.

Most committee Democrats supported the reported bill because we agreed that the 80 existing training and education programs should be consolidated. We agreed that a streamlined and coordinated work force development system would be good for the country and good for working men and women. But by no stretch of the imagination were we completely satisfied with the bill. It was moving in the right direction, however. In addition, committee Democrats wanted to show our support for the bipartisan process by which the bill had been developed, by supporting the bill—with the important caveat that a number of serious concerns remained and needed to be addressed.

We thought we had a deal and a commitment from our Republican colleagues to try to resolve our differences when several Republican Governors and Representatives of the ultra conservative eagle forum paid a visit on our counterparts on the other side. They threatened to oppose the bill if their objections were not addressed, and many of the changes made in the bill to accommodate these groups are unacceptable to committee Democrats.

Although, Mr. Chairman, we are dismayed by this series of events, we continue to believe that improvements can be made here on the floor. I would now like to outline the major Democratic objections to this legislation:

First, major changes have to be made to the vocational rehabilitation provisions in title V. This title threatens to undermine our existing State vocational rehabilitation system. Democrats will be hard pressed to support the dismantling of the service delivery system for those citizens most in need of assistance.

Second, at the request of Republican Governors the, committee dropped a provision in the reported bill that provided a dedicated stream of funding for programs that serve youth who are in school and programs that reach out-of-school youth. Under this change Governors could transfer funds for youth programs to adult programs. This is a serious flaw that should be corrected.

The reported bill was changed again to include a provision that allows Governors to use future year program funds to pay back funds which have been misused in prior years. I call this the oops provision. If a State program is caught misusing program funds, all a Governor has to do is say oops and wait until next year's Federal funds come in to pay back the Federal Government. I guess this is what some people call efficiency.

Mr. Chairman, the bill does not contain a smooth transition from the school-to-work program to the New CAREERS Act. Without it, the bill could lead to a significant disruption in the existing job training network.

Finally, the bill's authorization level is inadequate to create the kind of service delivery system envisioned by this legislation.

Mr. Chairman, the Members of this side of the aisle will be offering amendments to improve this bill. I urge my colleagues to support them. We have the opportunity to create a more effective education, employment and rehabilitation system. Working men and women deserve nothing less.

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

Mr. GOODLING. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, it has been a long time coming, but all good things take a lot of time, I suppose. There are many people, and I do not want to start saying who because I will surely miss someone who worked probably in some instances for 2 years to put this legislation together. I do want to call to my colleagues' attention those on our side and the other side particularly who have been out in front: The gentleman from California [Mr. MCKEON], the gentleman from California [Mr. CUNNINGHAM], the gentleman from Missouri [Mr. CLAY], and the gentleman from Montana [Mr. WILLIAMS], who have been moving this bill in the right direction, and others even before we got to this point this particular year. It has gotten the respect, I believe, of the minority, the majority, and the White House, so we finally bring something to the floor that more people agree that we are moving in the right direction.

I do want to point out that we are constantly working to try to improve the bill, and we will continue to do that as we move to conference. it is imperative that we have a bill on the House side because, if we do not and the other side puts it on their welfare reform bill, then we will go to conference with nothing and be pretty much at their mercy.

Basically what we are pointing out is that we take those 150 programs, and every speaker will probably have a different number, but however many, that at least 90 of them that have been appropriated, and we put them into the four blocks; we have the adult consolidation grant, we have the youth consolidation grant, we have the vocational rehabilitation consolidation grant, and we have the adult education and literacy consolidated grant.

I just want to point out again, as I tried to do in the Committee on Rules, that we have tried to deal with some of the concerns that people have. We want to be very, very careful in dealing with the vocational rehabilitation part because there is a split. We have those State directors who are constantly indicating that they do not want any change, they want everything to be as it presently is, and unfortunately they have done a disservice to people in the disability community because they tried to stir them up and say, ''Boy, you are going to lose everything,'' whereas on the other hand the disability community is telling us, ''Don't let us stick with no competition again on the State level because we're going to be stepsisters all other again. We are not very happy that 45 percent of their money is used for administration and counseling.'' That does not leave too much to actually see about training, educating, and getting them, above all, into the work force where there are meaningful jobs. So I repeat again one of the letters that I received from ARC, the Association for Retarded Citizens of the United States, and I quote:

> To delink the vocational rehabilitation system from this new system in CAREERS will only serve to isolate the VR system and people with mental retardation from the employers. No one would gain except those professionals in the VR system whose sole agenda is to protect turf. We do not think that is what reform is all about.

Mr. Chairman, I do not think I could have said it better myself. Some have complained that this bill could lead to mandatory Federal tracking. I am sure that the way the bill is written that would be an impossibility. They used to say during the cold war that we looked under our bed every night because there may be a Communist under there. For some reason or an other I think people are looking on every page and somehow deciding that there may be a Communist on that page. I will assure my colleagues returning the power to local and State governments, I thought that is what most people were all about, trying to make sure that they improved the programs.

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We do not hand them money and say go do your own thing. We have things that we expect them to do, but, above all, we expect them to improve the job training programs and the education programs that are out there so that we will be competitive in the 21st century.

We are not talking about the Loganville competing with Jacobus. Members probably do not know where those two great towns are. We are talking about the United States competing in a global market, so we have to make the changes.

Mr. Chairman, we have to keep in mind that we will send $37 billion in 1996 for the 25 percent who will get a 4-year college degree. For those who are trying to get 4-year college degree and those that will—$37 billion. All we ask here is $2.3 billion for the 75 percent

who will never receive a 4-year college degree but who will be an important part of our constituency if we are going to be competitive.

Mr. Chairman, it has been a long time coming, but today we are finally considering legislation which represents significant reform of this country's job training and work force preparation programs. The CAREERS Act consolidates and reforms over 150 existing education, job training, and employment assistance programs into 4 consolidation grants to States and local communities—creating an efficient, market-driven, and customer-focused work force development system in the United States. The bill espouses conservative principles throughout, and everyone from the Republican Governors' Association, the National Association of Counties and other organizations representing local government, to the business community, and others, support its passage.

I want to take a moment to call to the attention of the Congress, the efforts of the chairmen of the Subcommittee on Postsecondary Education, Training, and Lifelong Learning, and of the Subcommittee on Early Childhood, Youth, and Families, the gentlemen from California, Mr. MCKEON and Mr. CUNNINGHAM, whose tireless efforts have resulted in consideration of this reform legislation today. Your dedication to this important issue is admired. We all appreciate your leadership in this area and I thank you for all of your work.

Before I summarize our legislation, and give a bit of an historical perspective on the issue of job training reform, let me say a few things about some of the criticisms that you may hear throughout the course of today's debate. I want to take these criticisms head on, and set the record straight.

First, let's start with vocational rehabilitation. There are some who believe that we should maintain the status quo; in other words, keep the current overly bureaucratic system that fails to place more than two-thirds of the disabled people it serves in meaningful jobs. No doubt, many Members have heard from interested parties on this issue the past few days, but I ask you to keep in mind who you are hearing from for the most part: the bureaucrats who provide these services.

Our bill sides with the consumers of vocational rehabilitation services. Let me read to you from a letter from ARC, formerly known as the Association for Retarded Citizens of the United States, concerning efforts to strike vocational rehabilitation from this bill:

To delink the vocational rehabilitation system from this new system (in CAREERS) will only serve to isolate the V.R. system and people with mental retardation from the employers. No one would gain, except those professionals in the V.R. system whose sole agenda is to protect turf. We don't think that's what reform is all about.

I couldn't have said it better myself.

Some have complained that this bill could lead to mandatory Federal tracking, forcing students into particular occupations at a very early age. To address this issue, we have added the following provision to the bill: ''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.'' This bill does not mandate tracking.

We have heard from various Members concerned about the privacy of labor market and other data collected under the legislation. We have added specific language restating title 13 of the Census Act relating to confidentiality of information, and added language ensuring that this act is consistent with the Family Education Privacy Rights Act.

There have been some concerns expressed about the skill standards provisions of this bill. Our bill recognizes that because work force development programs are all about preparing individuals for careers, we must increase the involvement of business and industry—both small and large—in the design and implementation of State and local work force preparation programs. It is essential that employers identify the skills needed in the workplace, in order that employment and training assistance programs are relevant and useful. As such, we include provisions in the bill that tie program performance to providing the skills that have been recognized by industry as necessary to perform a specific occupation. We also say that program participants may receive skill certificates—portable credentials that certify that an individual has mastered the occupational skills identified by employers as necessary to do a job. We do not require however that any individual must receive such certificates, or that any employer must accept or use skill certificates in making hiring decisions. We are working with Congressman WELDON to add language to the bill clarifying that we will not force anyone to meet these skill standards or to attain a skill certificate. We also add language to the bill clarifying that skill certificate shall not replace high school diplomas or GED's.

Another issue you may hear about is governance. Some complain that CAREERS doesn't mandate that State Education Agencies [SEA's] control all the education money. They are right. We allow States to determine, consistent with their constitutions and State law, which agency should control the money. Most, if not all, States will choose to have their SEA's run this program. But the point is, it should be their decision.

Maintenance of effort is an issue that folks inside the beltway use a lot. In this case, what this means is the Federal Government should force States to maintain their job training spending even when the Federal Government is dramatically scaling back its funding. That just doesn't seem fair to me. Instead, I have agreed in my chairman's package to add a provision saying that Federal funds may ''supplement, but not supplant'' State funds as a compromise.

Finally, one of the big issues that Members, particularly those from the other side of the aisle, may raise concerns a provision that allows Governors to transfer 10 percent of their funds between the youth and adult training blocks. First, let me make it clear that under this transfer authority, transfered funds must be spent at the local level. Second, it is important that every one know exactly why we added this provision to the bill: to allow States additional flexibility to determine how best to meet the education and training needs of their State. This is especially true during this time of substantial cut backs in Federal job training funds. With these dramatically reduced spending levels, it only makes sense to give States the ability to shift a small amount of funding around to fill gaps in services that may arise.

Now, back to the specifics of our bill. We have traveled a long road to reform. Our efforts began in the spring of 1992, when I, along with our then-minority leader Bob Michel, and the gentleman from Wisconsin [Mr. GUNDERSON] introduced the Bush administration's Job Training 2000 legislation, which included many of the underlying principles of reform that are contained in CAREERS. With this legislation, the concepts of consolidation, of integrated service delivery, and of a voucher-driven training system were introduced. The following Congress, Mr. GUNDERSON and I introduced H.R. 2943, the Workforce Preparation and Development Act, which built upon the principles of Job Training 2000—taking reform a few steps further. Later that Congress, we introduced H.R. 4407, the first CAREERS bill, which again, took reform further—consolidating 86 job training programs into 7 block grant systems to States and localities. Today, we are considering legislation which a year ago, I would not have thought possible. The CAREERS bill represents sweeping reform of this country's employment and training system—an effort to vastly improve the employment opportunities for U.S. citizens, and to strengthen U.S. competitiveness.

In addition to the consolidation of over 150 Federal programs into 4 block grants to States and to local communities, CAREERS saves the taxpayer over $6.5 billion over 5 years. The four consolidation grants include: First, a youth development and career preparation grant; second, an adult employment and training grant; third, a vocational rehabilitation grant; and fourth, an adult education and literacy grant. And these four programs, working together, will form each State's work force preparation system.

CAREERS transfers authority to States and local communities for the design and operation of their own individual work force systems. We significantly reduce administrative, paperwork, planning, reporting, and data collection requirements.

CAREERS establishes a system that is market driven by: Requiring business involvement in program design and implementation; the infusion of competition among service providers both through the use of vouchers, empowering individuals to choose the training that fits their needs, and through competition to provide services; and a requirement that training be tied to occupations in demand in the local community. CAREERS also encourages individual responsibility, by stressing an employment-first approach for adults, providing education and training only for individuals determined to be in need of such additional services in order to obtain employment.

The bill encourages, but does not require the establishment of integrated career centers—single points of entry into the local work force development system. The bill does require an integrated approach to service delivery however, where services are integrated at least through computer linkages and interaction between individual employment and training offices in the community.

The legislation improves on our 50-year-old system of labor market information—making it useful to employers and to participants alike—ensuring that work force development programs are related to actual employment needs of employers within States and localities. An accurate and up-to-date system of labor market information is key to empowering individuals to make their own informed career

choices, and is key to the success of a voucher-driven training system.

CAREERS provides a separate block grant for adult education and family literacy. Although it is very important to link adult education to job training programs because of the high number of individuals who need to improve their literacy skills before they can avail themselves of job training and employment opportunities, adult education and literacy programs provide a variety of very important services to our Nation's citizens.

Many individuals use adult education programs to obtain the English language skills they need to obtain citizenship. Others enroll in classes in order to obtain the additional education they need to truly be their child's first and most important teacher. Of great importance to me, are the bill's family literacy provisions, which provide a very intensive approach to adult education. For many children, their parents are undereducated, have low literacy skills, and lack the self-esteem necessary to be their child's first teacher. As a result, these children lack a strong literacy experience, lack reading readiness, and enter school behind their peers. By working with the entire family, family literacy programs not only assist parents in building their literacy and education skills, but they also provide educational assistance to their children to ensure that they do not experience educational failure which can prevent them from becoming productive members of society.

As I mentioned before, a number of provisions have been added to the bill, ensuring confidentiality of information, applying the Family Education Rights and Privacy Act protections to programs established under CAREERS; and clarifying that all data collected from the labor market information system is aggregate data from the census and other public sources. In other words, no personal information is collected on individuals, especially youth. Protections were also added to the bill, clarifying that nothing in the CAREERS Act may be used to compel any individual, especially youth, to pursue a specific career.

Finally, CAREERS takes the bold step of promoting the privatization of two Government-sponsored enterprises, the Student Loan Marketing Association and the College Construction Loan Insurance Association. Both organizations were chartered under the Higher Education Act of 1965 in order to help students and institutions of higher education. Both have successfully fulfilled their original missions and the time is right to free them from Government restrictions and allow their expansion into the private arena. The bill also eliminates the cumbersome and heavily criticized State postsecondary review entities—SPRES—which have placed a tremendous burden on our institutions of higher education. CAREERS prevents the Department of Education from implementing the 85–15 rule—which governs student aid for proprietary schools in an unfair and retroactive way.

The CAREERS Act is true reform. It is a good bill. I urge your support for its passage.

Mr. CLAY. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the ranking member for yielding time to me. We have worked on this bill in the spirit of bipartisan cooperation. This is the first, if my recollection is correct, the first major piece of reform legislation to reach this floor in a bipartisan manner.

Mr. Chairman, the legislation consolidates more than 80 existing training and education programs into 4 separate block grants. President Bill Clinton encouraged this effort because creating a streamlined, coordinated work force development system is something that is not either a Democratic or a Republican only initiative, it is something that leaders in both parties believe is needed and it remains a priority for President Clinton.

We had some things we wanted to see included in this bill if it were to gain Democratic support, and many of those have been included in the bill before us. Because of that, and because of our friendship together, I want to thank both the gentleman from Pennsylvania, Chairman GOODLING, and the gentleman from California, Chairman MCKEON, for working so closely with the Democratic side as we moved this bill through the committee.

Chairman MCKEON and I held close to 20 days of public hearings on the various aspects of this legislation. After the bill was voted out of our subcommittee, and then the full committee, several Republican Governors and representatives of the Eagle Forum threatened to oppose this bill if the legislation was not altered to meet their own ideological objections, so the bill before us today contains several changes suggested by these groups. My side, frankly, would not have given these groups the changes they wanted, but I understand the necessity for the Republicans to work with them.

Mr. Chairman, the bill, however, is still a pretty good bill. Major changes, however, really have to be made in this bill before it becomes law.

First, the vocational rehabilitation section needs to be completely revamped. As that section now stands, our existing State vocational rehabilitation could be undermined. And make no mistakes, the clients of vocational rehabilitation are overwhelmingly in opposition to that section of this bill.

Second, we must maintain the dedicated funding stream for both in-school and out-of-school youth.

Third, the bill has been changed since committee to allow governors to use future-year program funds to pay back funds which have been misused in prior years; what the gentleman from Missouri [Mr. CLAY] calls the ''Oops'' amendment.

Fourth, the governance structure of this bill is still flawed and could, in a number of instances, result in unproductive political struggles at the State and local levels in ways that could undermine the State and local constitutions or governance systems, and that matter simply has to be corrected.

And, finally, Mr. Chairman, when the bill was in committee there was a bipartisan commitment to work out a smooth transition from the current school-to-work system, which was enacted last year with bipartisan support to this new CAREERS Act. We have not achieved that transition yet, but I believe it is necessary if this bill is to be successfully enacted into law.

Finally, Mr. Chairman, to all of my colleagues let me say this. President Clinton has, for many years, championed many of the provisions that we have now placed in this bill. He has made the use of career grants one of the linchpins of his job training initiatives. One-stop centers, as America has recognized, are a central element of the Clinton job training reform proposals.

Including all the appropriate State and local interests in the development of State and local job training plans, the collaborative process, that is at the heart of this bill, is one of the major reforms made by former President Bush and now President Clinton's School to Work Opportunities Act, which was enacted last year with the support of a bipartisan Congress. President Clinton believes that progress on this bill is an important first step in the process of revamping our Nation's work force development system. Moving this bill forward moves the process along, and so I ask my colleagues to weigh that important factor of Presidential leadership when they cast their vote on this legislation.

Again, I thank the gentleman for the time.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON], a member of the committee who has been tirelessly working toward giving us a good future as far as our work force is concerned.

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

Mr. GUNDERSON. Mr. Chairman, I rise today in strong support of this legislation and encourage all my colleagues to support it as well. I want to begin by paying special tribute to our leaders on both sides, the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from California [Mr. MCKEON] on our side; and certainly the gentleman from Missouri [Mr. CLAY] and the gentleman from Montana [Mr. WILLIAMS] on the Democratic side.

This is, ladies and gentlemen, one of the first experiences in this Congress, and a most important experience at this time, during the fall session, where we can literally come to the Congress in a bipartisan manner, and the Congress, in a bipartisan way, can move this legislation out. So I would encourage all of my colleagues of both parties to support this bill as we move through.

Let me say, Mr. Chairman, that we have a couple of basic dynamics that drive this bill. The first dynamic is that we are in a global marketplace, whether we like it or not. This is the post-GATT, post-NAFTA era. And it is not only a global marketplace but a high-tech marketplace. Never have we

had the need for high-skilled trained workers that we do today, and never will workers need the ongoing training and retraining that they need today, simply to keep their jobs, to say nothing of moving upward.

At the same time that we face that dynamic, we also recognize that we are in the process of trying to do this within an era of balancing the Federal budget. So we have less Federal money at the same time we have a greater need. That is the underlying foundation of the legislation in front of us. It is simply a recognition that we are going to have to consolidate programs here at the Federal level, we are going to have to turn as much of this authority and flexibility over to the States and over to the local governments to design and implement programs based on the priorities and the specific needs of their area.

So we consolidate well over 100 programs into 4 basic block grants; an adult training program, an adult education program, a youth training, and the vocational rehabilitation. Within each of those categories we are taking many different programs and sending them back. And as the gentleman from Pennsylvania [Mr. GOODLING], the chairman of our committee has said, we have worked long and hard to try to work out the differences and the concerns from the Governors, from the education community, from the business community, from the family groups, et cetera.

Mr. Chairman, none of this has been easy, especially when we are trying to maintain flexibility to accomplish the kind of results that we are particularly seeking. We have done that in this bill. I have to tell my colleagues that I would hope that we would still make some changes. I, like Mr. ROEMER, want to solve some of the transition problems with school-to-work as we move this into conference. I will say that up front.

This bill is not a perfect bill, but it is a giant step forward from where we are today, and, more importantly, it is an essential step in recognizing the dual challenges of preparing a skilled work force within the context of deficit reduction.

I encourage my colleagues to support the bill.

Mr. CLAY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I rise today to discuss this legislation which seeks to consolidate a number of our current job training and education programs into an integrated system. I want to commend the gentleman from Pennsylvania [Mr. GOODLING], my chairman, for his prodigious efforts on this bill.

My colleagues, the direction in which this bill seeks to take us is the right one. For a number of years now, as the employment and training needs of America changed, we have tended to address those needs through specific separately funded and administered programs, and, unfortunately, by that method we have often wound up with overlapping and duplicative efforts which hinder the local community's ability to deliver the services needed.

I want to particularly commend the gentleman from California, BUCK MCKEON, the subcommittee chairman, for recognizing the need for change in that area.

Having said that, Mr. Chairman, I am still somewhat afraid that we are creating a system that will not be able to do what we expect it to do. Today, we will hear that although this bill authorizes funding at a level 20 percent below current levels, we are told that administrative savings and economies of scale will generate savings that can be driven into services for the young people and adults served under this bill.

Mr. Chairman, that was done before the Committee on Appropriations determined that local communities will have $1.5 billion fewer to spend on job training programs next year. That very much frightens me, this lack of fusion between the authorization and the appropriations and the dynamics created by that.

Mr. Chairman, many of my colleagues on the minority side of our committee would like to vote for this bill, and, hopefully, before the day is over we can and will, because we think it is definitely a step in the right direction. But we do have reservations. We want to see an agreement of the vocational rehabilitation title worked out, and I think we are still working on that. I think both sides recognize that that is an effort that should yield some fruit.

We would also like to preserve the progress we have made in the School to Work Act, which Mr. GUNDERSON mentioned in his statement today. This is a very good act brought to us by the Business Roundtable and by many of the chambers of commerce.

The gentleman from Montana [Mr. WILLIAMS] and I will be offering a number of amendments today which will seek to preserve the integrity of decisionmaking in schools. In particular, Mr. WILLIAMS and I will offer an amendment to strike the bill's provisions that would allow a governor to transfer 10 percent of funds between title II youth programs and to title III adult employment and training programs.

Mr. Chairman, there will be a number of other amendments offered to improve this bill by Members on both sides. I want to thank our colleagues on the Republican side of the aisle for working with us. I think we still have work to do today right on this floor, and I think by the time this debate is concluded, if we have worked out the areas I have mentioned, we will have strong support on our side. We will still have some points to work out in conference committee, and I look forward to that, but as has been pointed out, there has been a certain degree of collegiality across the aisle in working this bill out. I hope that continues through the process of discussion today.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. MCKEON], the subcommittee chairman, who has burned a lot of midnight oil trying to please everyone, and that is difficult to do.

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Mr. MCKEON. Mr. Chairman, I am pleased today to join with the gentleman from Pennsylvania [Mr. GOODLING], the distinguished chairman of the Committee on Economic and Educational Opportunities. I extend to the gentleman my thanks for his leadership and for the opportunity he has given me as a new chairman, a relatively new Member of Congress, to participate in this process.

Mr. Chairman, I came to Congress with the idea of trying to cut Federal bureaucracy and trying to give power out to the local communities. One of the first things that was given me on this committee was to work on the CAREERS Act.

This is a bill that had been placed into the 103d Congress by the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Wisconsin [Mr. GUNDERSON], but we were not able to move it at that time. It was the opportunity of taking 50 job training bills and cutting it down to 4 and block granting it out to the States. With the change in the Congress this year, he gave me the responsibility to carry that legislation. We made changes in it; we increased it to 150 job training bills.

I have here copies of all of the bills that this bill will replace. We are talking about 3,000 pages, cutting it down less to 300 pages, and in the process changing about $1 billion a year.

That did not happen just by putting pen to paper. It was a real process. We started early on. We met with the administration. We met with the other side. I mentioned to the other side that if we had disagreements, it would not be because they were Democrats and we were Republicans. It would be because we had a difference in philosophy. We really have tried to work together and come up with something that we can all be proud of.

In the process, not everyone is happy, not everyone is unhappy. We are probably all kind of in a position that if we were king for a day, we would like things to be maybe a little different, but none of us are. We are all Members of Congress. We are here representing our people throughout this country, and we have tried to involve everyone that will be affected in this process.

There have been some concerns raised. There have been concerns raised specifically about this bill. We have added a number of provisions ensuring confidentiality of information, applying the Family Education Rights and

Privacy Act protections to programs established under CAREERS, and clarifying all data collected from the Data Market Information System's aggregate data from the census and other public sources. In other words, no personal information is collected on individuals, especially youth.

Programs were also proadded to the bill clarifying that nothing in the CAREERS Act may be used to require any individual, especially a young person, to pursue a specific career or career path in school. We are also working with Congressman WELDON on language to add to the bill stating that nothing in the CAREERS Act may be used to require any individual to acquire a skill certificate or skill standards.

As a Congressman from the district in California that has been hard hit by defense and aerospace cutbacks, I understand the need to have an effective and efficient system of work force preparation and employment assistance in this country. The skill of this Nation's work force are more important today than ever before to U.S. competitiveness. However, our current patchwork of Federal programs is not the answer.

I want to thank the gentleman from Missouri [Mr. CLAY] and the gentleman from Montana [Mr. WILLIAMS] and Members on the other side of the aisle, the gentleman from Indiana [Mr. ROEMER], others who have worked so hard to bring this bill to the floor, and Members on our side, the gentleman from Pennsylvania, Chairman GOODLING, the gentleman from Wisconsin [Mr. GUNDERSON], the gentleman from California [Mr. RIGGS], our vice chairman, the gentleman from New Hampshire [Mr. ZELIFF], who is not on this committee, but who has been working on this CAREERS work for a number of years.

There are many that I would like to thank. I should not have even started naming names. But I encourage all of our colleagues to support the CAREERS legislation.

Mr. CLAY. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. ROEMER].

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

Mr. ROEMER. Mr. Chairman, why is there such a cynical attitude in America today, sometimes unfairly, about how Congress does not work, how it is not doing enough to downsize Government, work together, and instead plays blame games and is enmeshed in gridlock all the time?

I think this bill is a fine example of how Congress can work. Now, it is not a perfect bill, and maybe it will move toward perfection in conference. But this bill certainly epitomizes bipartisanship, and I would like to salute the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. MCKEON], the gentleman from Wisconsin [Mr. GUNDERSON], the gentleman from Missouri [Mr. CLAY], and the gentleman from Montana [Mr. WILLIAMS], for working together on a bill.

I would also say that this is about downsizing and efficiency. Over 100 Federal programs are now being consolidated into 4 block grants. That is the direction the American people want us to go in.

Finally, it is about local answers solving some of our problems, not big bureaucracies in Washington, DC, necessarily solving these problems. So I think this bill is a tribute to how Congress can work in the future.

Now, I intended to offer an amendment on the school-to-work transition title of this bill, and I will not offer that because, as the Chinese proverb goes, ''A thousand-mile journey begins with one single step.'' I think we are making a single step in this bill, and I am hopeful we will complete the journey in conference to make sure that we have local problems answered by our Governors and our schools, and not the Federal Government, by continuing a program we have started a few years ago with school-to-work.

Now, why is it a big problem, Mr. Chairman? It is one of the biggest problems that we face in reforming our education system in our work force, because it involves such a big number of students. Seventy-five percent of our students in America do not go on to get a college degree. I have business leaders in my district, small business leaders, two I just met with over the August work period at Schaefer Gear in South Bend. Mr. Bipin Doshie, he employs 75 people in South Bend. He told me he would hire 12 new people tomorrow if we can get better qualified students coming out of our high schools and a better connection between the work force and our schools.

In Syracuse, IN, at Laketronics, Mr. Bob McNary told me he employs 18 people. He would hire 5 more people if we can get better school-to-work corrections at the local level, not coming from Washington, DC.

I would encourage us to work on this very, very important problem, Mr. Chairman, not only because it involves 75 percent of our students, but I think Hedrick Smith says it well in a new book he has just written that I strongly recommend to my colleagues called ''Rethinking America'': Our work force is changing dramatically as we speak. Our education system needs to change dramatically in order to train our new workers on the assembly line. They are not just on the assembly line screwing a screw into a door anymore. They are working on computers. They are working on teams. They are responsible for quality control. These people are our best asset in America, our workers. Let us make sure they are trained adequately at the local level, with our business cooperating and solving this problem, to make sure we are competitive with the Japanese and the Germans.

Mr. Chairman, with that, I again say let us continue to work on this in conference, where I hope to be involved in the conference language on this transition program. Twenty-seven States have started this program. Let us work in a bipartisan way to solve this vexing problem.

Mr. Chairman, again, I salute the Republicans and Democrats working together on this.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT of Nebraska. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, H.R. 1617 will break the shackles of duplication and Federal mandates, and will empower States and localities to design programs that will best meet the needs of their communities.

This bipartisan bill will eliminate more than 150 Federal programs, and will continue the Federal commitment, through local leaders, of providing services to those most in need.

The bill would establish area work force development boards made up of local leaders, advocates, employers, and educators, that know best the needs of their area and can actually see the success and failure of the present system and present programs.

Constituents have told me that H.R. 1617 would eliminate Federal vocational rehabilitation. Nothing could be farther from the truth.

We call for maintaining Federal funding for voc rehab and would redesign the delivery of services by giving local providers and consumers greater opportunities.

Later today we will consider an amendment by Chairman GOODLING that will give States greater flexibility in providing voc rehab services. It would allow the Governor and consumers to come up with an alternative plan to provide needed services. While I have concerns that this may only perpetuate some of the problems existing in voc rehab, it is my hope that it will be an engine of positive change in the States, if they choose this option.

On balance, Mr. Chairman, H.R. 1617 will give those most in need—the individuals, communities, and States—the ability to create or continue to support, programs that provide job training, counseling, and education.

I urge my colleagues to support H.R. 1617.

Mr. CLAY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I thank my friend from Missouri for yielding me this time.

Mr. Chairman let me say I rise to say that I have some reservations about this bill, and I am going to be listening to the debate today and listening to the amendments that are put forward to ultimately decide how I vote. But let me say I have very strong reservations about the bill.

First of all, youth development and adult employment block grants are funded at a 20-percent level below the appropriation of last year, for the programs being consolidated. The adult

education block granted is funded 10 percent below last year's level.

Let me say, as I have mentioned many, many times in our committee, my reservation about the whole block grant system. Because I was a State legislator for 12 years before coming to Congress, and when we first heard about block grants, we thought it was a panacea. But we soon learned, very sadly, that it was not.

Block grants only work when they are fully funded. If they are not fully funded, all the States are deciding, all the Governors are deciding, is where to spread the pain, what programs to cut. To me, that does not seem like much progress at all.

The State education department of New York sent me a letter. Let me just read one paragraph.

They said:

Allowing transfer of funds between block grants, as this bill provides, could result in an additional loss of services to program recipients and unpredictability in funding that disrupts local program planning. We anticipate that Federal funding for work force development programs will be reduced in the coming fiscal year as a result of deficit reduction efforts. Transferability of funds will only exacerbate anticipated uncertainty and cause burdensome fluctuations in services among already underserved groups.

Let me talk about some of the reservations I have. The CAREERS bill helps to eliminate overlap in Federal education and job training programs, but I believe it goes too far. It consolidates 80 programs into four block grants, too much discretion as far as I am concerned for the States to administer such important programs that people depend on. In a crunch, when Governors are looking to save money and cutting budgets, who is going to be hurt by this?

Second, the ability of the Governor to transfer 10 percent of the funds from one title of the bill to the other does not help to ensure, in my opinion, that those who need the funds will actually receive it. The Governor will have chief authority to administer the funds. He could move the funds elsewhere, rather than directing them toward these programs.

Also, instead of cutting bureaucracy, I believe it instead creates new levels of State bureaucracy by giving the Governors full discretion to administer Federal funds while bypassing the State legislatures.

In my State of New York, we already have a State funded system of vocational and adult education created through a State constitution and promulgated by the State legislature. The State system also administers the Federal funding received for these programs.

The CAREERS bill will allow the Governor to administer the Federal funds, thereby in our State creating two bureaucracies in New York, rather than one administrator.

Also, as many of my colleagues have mentioned before, in this bill the vocational rehabilitation section of this bill as it now stands is totally unacceptable. The bill would limit State flexibility and create uneven access to services to those who are the truly needy. Populations such as the blind and disabled need our full attention and must not be shortchanged. I am hoping in the amendment process we can improve the bill. The current system that we have is fully supported by the disability community and is kept intact in the Senate bill.

Let me say after saying all of that, though, I believe that this bill is far preferable to the bill being worked on in the Committee on Ways and Means. So again I would hope by the end of the day we will have some amendments, we will have some agreements, and have some changes. But right now I do believe that the bill is seriously flawed.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. SOUDER], a member of the committee.

Mr. SOUDER. Mr. Chairman, I commend the leadership of the gentleman from Pennsylvania [Mr. GOODLING] and the leadership of the gentleman from California [Mr. MCKEON], the subcommittee chairman, on the CAREERS bill.

Mr. Chairman, the genesis of the CAREERS bill on the floor today dates to the 1973 Comprehensive Employment and Training Act [CETA]. CETA contained employment and training components. The employment segment, especially disliked by fiscal conservatives, provided public service jobs for the unemployed. CETA, at its peak, was funded at $10 billion. The public sector component was targeted for elimination when the Reagan administration took office in 1981.

I represent the congressional district Dan Quayle once held, and am therefore familiar with the Job Training Partnership Act which Dan Quayle sponsored after he won his Senate seat in 1980.

□ 1300

Senator Quayle won passage of the Quayle training for jobs bill, a $3.8 billion program for training and $1 billion for displaced workers. Under the Quayle bill, State governments had more responsibility for programs but services were provided by local private industry councils.

The Quayle Job Training Partnership Act focused training on economically disadvantaged individuals with serious barriers to employment. JTPA was criticized for imposing numerous Federal restrictions which limited local flexibility, and burdensome planning, reporting and data collection requirements. Senator Quayle made a number of compromises to get his bill through, and today we are trying to improve those JTPA standards. Yet JTPA was flagged as Dan Quayle's most notable legislative accomplishment, when he was chosen as George Bush's running mate. Ironically today, many of Vice President Quayle's staunchest defenders have criticized CAREERS, which significantly improves, from a conservative perspective, Dan Quayle's greatest legacy.

Legitimate concerns arose from a number of grassroots family organizations about careers, once it was approved by the Committee on Economic and Educational Opportunities. To reduce those concerns, language changes were agreed to. And as a result, the bill has been approved.

References to Goals 2000 were stricken. References to curriculum requirements by a State plan under the youth block grant were deleted and adult common core indicators were separated from youth indicators. Finally, parental involvement was encouraged in the design of State and local systems.

I realize there are still some concerns about this bill and, more important, about the Federal Government's continuing role in education. The debate over education reform will continue, and it will be fought vigorously on other more relevant bills.

I would only ask for the family groups to consider the historic perspective on Federal job training. The CAREERS job training bill is a step forward. CAREERS follows on the heels of JTPA, but with far more Federal dollars driven to the local level with greater State and local authority, with greater fiscal accountability and with an anticipated 25-percent cost savings through efficiency and a better plan at the State level. The enactment of CAREERS would result in a total savings of $6.5 billion over 5 years.

We will never eliminate all the concerns that my fellow conservatives share, but the majority of Americans believe that is a role for job training at least at the State level.

As the chairman has said, as long as we are held accountable for those tax dollars, we have an obligation to hold standards to the States. I know the Governors have had a number of concerns and we have addressed some of those concerns. I supported a number of amendments in the committee and continue to support this bill as the best we could pass.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, let me just say, I am pleased to be able to speak now because we are in markup in the Committee on the Judiciary on the immigration bill, and yet I think this CAREERS Act is a very critical issue, especially in Colorado.

First of all, I hope that there is going to be an amendment by the gentleman from New York [Mr. OWENS] that I would like very much to support if I get back and certainly will vote for. That is because in my area we have seen a proprietary school closed down right after the term started. All sorts of young students who were on financial aid went in and just saw the doors locked, and it has been a tremendous mess. This school had been in business

for 91 years, and people are still trying to figure out what happened, because absolutely no one anticipated this closure.

Hopefully the Owens amendment will affect that, prevent those types of things in the future, because there is nothing worse than someone trying to get their life together, getting in school, getting the funding and then getting there and finding out the doors are closed.

The second amendment I am terribly interested in is that of the gentlewoman from Hawaii [Mrs. MINK]. The Mink amendment is going to be talking about preserving programs for displaced homemakers, single parents, single pregnant women, and programs that eliminate sex bias in youth development. I just wanted to talk about what we found out in Colorado with those programs.

In 1990, Colorado had 200,000 displaced homemakers; 80 percent of them were single parents. When they went around and asked the people in the program, the customers, if they thought this was a good program and would they recommend it to a friend, 96 percent said yes.

We keep making policy on the 4 percent that said no, but 96 percent of these people said yes. And then when they said, did they think that this was a good use of tax dollars, 74 percent said yes, and they ought to spend more money. Of course, the rest all said yes, it was a good expenditure of tax moneys, but yet as high as 74 percent saying yes and even more money.

Now, I think the Mink amendment makes a tremendous amount of sense. If we are going to talk about eliminating welfare as we know it, which I think is a very good idea, if we are going to talk about trying to help people work, then we ought to make sure that this CAREERS Act does not forget displaced homemakers, does not forget single parents, and does not forget gender bias that is in so much of what we find in some of these jobs, where women get tracked into the pink collar ghettos and can never earn a decent living. So those are two very essential amendments that I would like to see adopted.

Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of the Owens amendment to require reimbursement by non-Federal funds any federally granted money misspent due to willful disregard of requirements or standards.

A situation brewing in my district speaks to the need and importance of this amendment. Barnes Business College, a 91-year-old proprietary school in Denver abruptly closed and declared bankruptcy just before the fall term this year. Some 700 students, many of whom receive student financial aid, showed up for class only to stare at locked doors and closure notices.

The mystery is that no one saw this closure coming. The State's regulatory oversight office was caught off-guard. State and Federal audits gave the school a clean bill of health up until June 1993, the last government review done. And a recent independent audit disclosed "no instances of noncompliance." Disbursements, receipts, and cash balances all fell in acceptable ranges.

So what happened? I asked the Department of Education to investigate and an investigation has been initiated by the department's inspector general's office. The U.S. Attorney General's office is also asking questions about the draw-down of Federal student loan receipts and the timing of the bankruptcy declaration.

Although nothing is certain yet, this situation does raise questions about the propriety of this proprietary school. And it does follow that if willful disregard of operating procedures was done, the taxpayer is the one who would be held harmless. If nothing else, this amendment serves as a warning to prevent future Barnes episodes and to protect the taxpayer.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes and 30 seconds to the gentleman from California [Mr. CUNNINGHAM], another subcommittee chairman who has worked at great length on this issue.

Mr. CUNNINGHAM. Mr. Chairman, I would like to thank the gentleman for yielding time to me, the chairman of the committee, who has worked valiantly on this particular area.

We got 40 years of Democratic rule that has given us the current disastrous bureaucratic system that they are talking about, and it is going to cost a lot of tax dollars. The tax dollars, the bureaucracy, the rules and the regulations actually make it more difficult than the current system we are trying to save.

The CAREERS Act is one of the most commonsense, conservative pieces of legislation ever to be considered by any Congress. It replaces 150 federally run job training, adult education, and literacy programs which did not talk to each other and do not work together. All have Federal bureaucracies, and all do not work. We need to replace it.

The current CAREERS Act provides States maximum authority and flexibility. One of the concerns from a group that came to me was that we are going to take out the State legislators in this. I have been assured by the gentleman from California [Mr. MCKEON] that that is not the case. As a matter of fact, the language, if not in, is going to be placed into the CAREERS Act so that the Governors do not have full control, that we do put in the State legislatures.

I would be against the bill if it did that because, my being a States rights advocate, I want to make sure that the State legislatures, not just the Governors themselves, have got control of this. The Governors might not like it, but that is the way it should be for the States rights.

As chairman of the House Subcommittee on Early Childhood, Youth and Families, I would like to focus on the portions of the bill that my subcommittee worked on. Title IV on adult education, family literacy and library technology, was moved through the subcommittee. I also have an interest in title II and its role in vocational education.

Title IV of the CAREERS Act consolidates again 22 programs under the Adult Education Act, the National Literacy Act, and the library literacy program under the Library Services and Construction Act, into one block grant for States. By the way, the Library Association and libraries groups fully support the implementation because one of the areas in which I think that if on our side of the aisle, if we are talking about higher technology, higher education, and the technological age, we need to transfer and make sure that they have up-to-date technology, technological equipment such as computers, fiber optics, and so on.

The subcommittee held hearings on this issue in Washington and in San Marcos, CA, in my particular district. We learned from someone like John Corcoran, a teacher, businessman, and author who made statements that men and women who cannot read or write have great difficulty in the most basic skills and can hardly benefit from a regular job training system. Literacy is a program. The National Adult Literacy Survey showed that of Americans at the lowest of five literacy levels, 17 percent receive food stamps, 43 percent live in poverty, and a stunning 70 percent are unemployed or underemployed. So we do need special programs.

He also established that adult education and family literacy grant States recognize that basic education for adults is one of our highest priorities.

When we talk to educators, educational institutions, administration employees, even citizens who need the adult services, the current fragmented job training system keeps them from working with one another in their communities. It is a tangle of 150 programs; in the case of this subcommittee, only 22, much like the welfare system that does not work because it is too big, too cumbersome.

We learned from Scott Himelstein, of the Lynch Foundation for Family Literacy, that if a man or a woman cannot read, one of most successful ways to teach them to read is with their children, so it is encouraged.

Mr. Chairman, the programs that we have before us, there are a lot of areas that work. I think one of the problems with the President's health care bill is he tried to do too much too quick with too many things. What we are going to try and do is make some improvements to the system over a period of time. We would ask for support from both sides of the aisle for those improvements, and we feel right now it is a basically a good bill.

I would urge its support.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

I thank my ranking member. I have a particular concern about this bill, but I voted for it as it came out of committee. This bill makes dramatic steps in streamlining over 80 training programs and education programs. I believe almost every Member on both sides of our aisle wants the consolidation of these programs.

I support the bill, as I said, when it came out of committee, with some reservations. This is probably the most bipartisan bill I have seen out of our Committee on Economic and Educational Opportunities this year. However, the point of departure from that support is that there are no guarantees or assurances that people who have a history of being left out will continue to be served.

Later today I will offer an amendment to title V of the bill. As it now stands, this bill threatens to undermine our existing State vocational rehab systems. I believe we can correct this problem with a bipartisan amendment. We are trying to work on it right now, but so far we are not there.

The bill has been changed three times since it came out of our committee. In the last 10 days, there have been some changes. In fact, I know in the manager's amendment in a few minutes there are some suggested changes on voc rehab, but it does not go far enough. It does not go far to make sure that those people who particularly high cost vocational rehab recipients need those benefits and that revenues stream directly to them, not that it be siphoned off for some other program or some other proposal that an individual Governor has.

I was glad to hear my colleague, the gentleman from California [Mr. CUNNINGHAM], talk about that there is going to be a legislative involvement in that. That is not in the manager's amendment. It may be when it comes up on the floor in a few minutes. I am glad there is an effort to do that. But, again, this bill has been out of committee for at least 2 months and has not changed until today to add the legislative involvement with the Governor.

There are a great many provisions in the manager's amendment on voc rehab that concern me. It does not contain a mechanism for the State to control the quality and appropriateness of vocational rehab in local centers.

This bill does not allow the States, and possibly a Governor could make this determination, that the local centers for vocational rehab would not be subject to quality and appropriateness of States services on a statewide basis. It would allow the local work force development board, whose members are not required to know anything about vocational rehab or the needs of the people, to provide guidance providing vocational rehab services.

There is a great deal wrong with this bill on vocational rehab. If this bill passes, the Senate actually is the best issue, it leaves vocational rehab the way it is dealing with those people who hgave been served by a number of States, including Texas, a great deal for many years.

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Mr. GOODLING. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I know the gentleman from Texas did not want to mislead anybody. The funding stream remains exactly as the funding stream is at the present time. We cannot skim anything off of it for any other program. That has not changed.

Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. ZELIFF] who has spent a great deal of time working on this program.

Mr. ZELIFF. Mr. Chairman, I rise in full support of the Goodling-McKeon bill. It was 3 years ago that I first introduced legislation to consolidate the over 161 Federal job training programs into a single block grant. The bill before us today follows my original concept and eliminates about 50 Federal education and training programs. Another 100 of these duplicative Federal programs would be consolidated into four categorical block grants.

I would be less than frank, Mr. Chairman, if I did not tell the Members that many people, including many of our national Governors, feel that my original bill, in a perfect world, would have done a better job of moving resources to the States and away from the micromanagement of the Federal Government. However, I believe it is now time for us, after working very hard together, for us to come together and work together in getting an effective bill passed which will deliver much needed services to people who need our help.

I support the Goodling-McKeon bill because eliminating over 50 programs and consolidating over 100 others is far better than maintaining the existing hodgepodge of Federal programs. This bill is 100 percent better than the current system. When JTPA was enacted into law 15 years ago, originally the focus was, ''Job training legislation must recognize true principles of Federalism. * * * The new legislation will recognize the role of the State in all local programs and end the excessive involvement by the Federal Government. In short, the basic supervisory role previously performed by the Federal Government will now be turned over to the States, the place it really belongs.''

I urge strongly that we support the Goodling-McKeon bill.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, our chairman of the committee, and he is our chairman, mentioned that the Governors could not siphon this off, but I am looking at an amendment that would be part of the manager's amendment that allows the Government to appoint a board and develop a proposed plan for alternatives. States have traditionally provided for vocational rehab. In the State of Texas, in the State of South Carolina and a number of States, they have provided for it. The Federal funding is very limited.

This amendment would allow for the Governor in an individual case, maybe if we include the legislature, to come in, but these decisions have already been made locally and would allow the Governor to create and have another revenue stream of Federal funding to do something else without necessarily going back to the legislature. If we want this to be a local control issue, we should give it to the legislature and the Governor to provide it by State law, instead of what is trying to be done in this amendment.

There have been some allegations and concerns about who we represent when we work here on the floor. I have served 20 years in the legislature and worked with lots of not only provider groups, but recipients of vocational rehab services. They are the ones that are our big concern, that we deal with today, not with somebody's job in the State bureaucracy. I would hope that this bill, whether we do it here on the floor and adopt the Green amendment, or we do it in the conference committee and the Senate will hold firm on making sure vocational rehab does not get lost in a CAREERS reform bill.

Mr. GOODLING. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, before me I have a letter from Goodwill Industries International, Inc.:

> Goodwill Industries International, Inc. does not support efforts to delete the Vocational Rehabilitation title of H.R. 1617, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Careers Act. Some of the amendments being discussed would only protect the status quo in vocational rehabilitation and would give you and your House colleagues virtually no room to negotiate in a conference committee with the Senate.

Another letter before me:

> United Cerebral Palsy Association has been informed that an amendment may be offered * * * when it is brought to the floor for consideration by the full House. We understand that the amendment would either fully strike provisions in CAREERS related to vocational rehabilitation, or significantly remove the linkage between these centers and vocational rehabilitation in States. UCPA urges you to oppose any such amendments.

Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. BAKER].

Mr. BAKER of Louisiana. Mr. Chairman, I rise to express my appreciation to the chairman and to the gentleman from California [Mr. MCKEON] and also the gentleman from South Carolina [Mr. GRAHAM] on working together to reach an accommodation with regard to the important issue of vocational rehabilitation.

As the manager's amendment now stands, it would provide the ability of

the State Governor to elect and to set up an independent commission at the State level to manage the resources of vocational rehabilitation delivery services. This is an extremely important step in providing consistency for those States who have aggressive vocational rehabilitation services in place. It is an important accommodation the chairman has made.

I rise on behalf of all those interests who have expressed grave concerns about the future delivery of those services in the various States in saying we very much appreciate the courtesies extended and the willingness to meet the needs of that important community of service.

Mr. CASTLE. Mr. Chairman, I support H.R. 1617, the CAREERS Act, because I believe it is a good step forward toward repairing our Nation's existing fragmented, disjointed, and overlapping work force preparation program. The CAREERS Act is a good faith, bipartisan effort to simplify and improve Federal employment training efforts by consolidating or eliminating over 150 existing education, training, and employment assistance programs into four consolidated grants to the States. In doing so, this legislation allows for the development of creative and comprehensive work force preparation programs designed to meet the specific needs of local communities. The bill provides Governors with unprecedented flexibility to address the work force requirements in their own States, and institutes a one-stop delivery system uniting employers and training centers with prospective workers and trainees that has worked so well in Delaware.

If we are to remain globally competitive, a comprehensive work force training program that allows on-the-job training and placement services must exist. I am confident that if this legislation is enacted, it will establish a work force preparation system that will allow us to reduce the number of dislocated workers and people on welfare, and keep our competitive edge in the world marketplace.

The CAREERS Act consolidates 35 categorical education and job training programs for youth into a single comprehensive career preparation grant for youth. Clearly, the Federal Government can play a constructive role in helping States educate and prepare our young people so that they can be productive participants in tomorrow's economy. America's future hinges on the successes of our youth today. The Federal Government has directly supported vocational education since 1917, with the Smith-Hughes Act, which supported programs in agriculture and home economics. Since then, laws have been passed creating additional programs, establishing new priorities, and increasing funding for special populations. However, it is clear today that these programs are not achieving their intended goals. Evidence suggests that the programs need to be consolidated and woven into a seamless system to help youth move from school to jobs and further education.

The CAREERS bill accomplishes this. It encourages the education community to join with local business, community leaders, and parents to reinvigorate old programs. The two principles which undergrid CAREERS are:

1. Vocational/career-related education should become an integral part of a reformed American system of education and training. A comprehensive system would provide all students with access, multiple entry and exit points, clear education pathways, quality programs, high standards, information and linkage to the labor market.

2. Vocational/career-related education should be high quality, and competency-based, with industry involvement

The bill authorizes $2.3 billion in fiscal year 1997 for the youth development and career preparation consolidation grant that provides opportunities to State and local governments to design programs to assist high school age students with job training and vocational education.

The reporting committee, the Economic and Educational Opportunities Committee, of which I am a member, originally included a controversial section on vocational rehabilitation. The overarching goal of this section, title 5, was to transform the system into a flexible and consumer-directed system, focusing on employment, empowerment through choice and vouchers, and results by improving rehabilitation results for those disabled through competition among providers. I believe this change in focus was overdue. I am concerned that the unemployment rate of severely disabled Americans continues to hover close to 80 percent. Many factors affecting this high rate of unemployment need to be addressed by Congress; CAREERS was the committee's first step, good faith attempt to solving this urgent problem.

The public rehabilitation system has evolved over a 75-year history and has developed a degree of expertise and success in serving those individuals with the greatest needs. However, serious shortcomings exist in the centralized service delivery structure—shortcomings that are becoming more glaring as the need for rehabilitation among Americans with disabilities becomes more acute. H.R. 1617, as reported out of committee, maintained current funding for rehabilitation services to individuals with disabilities. To be certain that the specialized expertise for disability services would be built into the new system, the bill provided for a gradual transition phase from the current system to the new system over a 3-year period. H.R. 1617 also built in many safeguards to ensure that individuals with disabilities have their special needs properly addressed in a revised and restructured job training system.

Some members of the disability community were told that under H.R. 1617, individuals with disabilities would lose access to vocational services. I believed this system would provide high quality general and specialized rehabilitation services that would help many more Delawareans with disabilities enter the work force and become contributing, productive participants in society.

H.R. 1617 allowed Delaware to continue to play a role, in coordination with the local system, for delivering direct services when necessary, and would have permitted to Delaware to maintain separate rehabilitation agencies for the blind. In testimony before the House Subcommittee on Select Education in 1986, James Gaschel, director of governmental affairs for the National Federation of the Blind, testified:

This sense of growing frustration with the current system of vocational rehabilitation has led many of us in the National Federation of the Blind to give thought to alternative system of services rather than using the traditional vocational rehabilitation State agencies. One plan would be to install a free market system where clients could pick and choose among rehabilitation agencies who would, in a sense, be competing for their patronage. This would be a step beyond and outside of the institutionalized State vocational rehabilitation agency system. It would provide a rehabilitation benefit in a sense of portable funding available to a handicapped individual for use at any agency capable of providing the services. Maybe we are ahead of our time in proposing such a concept, or even thinking about it, but we think Congress should consider it.

In conclusion, based on input from consumers and others over many years, the State-run rehabilitation system is not nearly as efficient in the use of resources as it should be, is slow to respond to individual needs and aspirations has very little accountability for outcomes, and allows very limited market forces of competition to improve the quality of services to individuals with disabilities. I believed it to be essential, in the development of a statewide work force preparation system under H.R. 1617, that vocational rehabilitation be a full partner in the system. It would have allowed disabled individuals to gain access to specialized rehabilitation and employment services through a new, locally based, one-stop career center system.

The choice before Congress is clear. It can allow the status quo bureaucracy to continue its mediocre performance in helping individuals with severe disabilities. Or, Congress can take the next logical step in reform of vocational rehabilitation by making the system more focused on real employment outcomes, empowering individuals through direct choice and service vouchers, and getting better results from vocational rehabilitation providers. I look forward to continuing to work on this legislation to improve it as it moves through the legislative process.

Mr. DAVIS. Mr. Chairman, I am pleased to rise in support of this important piece of legislation, and specifically in support of the provisions of this bill that authorize Sallie Mae to reorganize into a fully private company. This is one of those moments that I can state without reservation that what is good for northern Virginia is good for the country, and vice versa.

Sallie Mae employs over 1,000 highly skilled workers in Fairfax County, VA. Their presence is an important part of that community not only in terms of the jobs they provide, but in their commitment to community service activities in the region. Privatizing Sallie Mae will be a boost to northern Virginia, as it holds the promise of a growing Sallie Mae presence in that area, in contrast with the work force contractions which the company has undertaken over the past year.

More importantly, however, Sallie Mae's privatization is good for the American taxpayer. Today, unbeknownst to them, taxpayers are standing behind Sallie Mae's more than $50 billion in outstanding indebtedness. While there is no formal Federal guarantee on Sallie Mae's debt, those who purchase Sallie Mae securities do so based on their perceived ability to look to the Federal Treasury if Sallie Mae were to default on its obligations. Ridding the taxpayer of this sort of off-balance-sheet liability is good public policy and it is the right thing to do for the American people.

Sallie Mae has done a great service to this country as it has fulfilled its mission to assure access to student loans. More than $20 billion in student loans flowed through guaranteed loan programs last year, making a college education affordable for millions of American families. As a private company, Sallie Mae will continue to meet that need, and it will be free to use its technological and personnel resources to serve higher education in new and innovative ways. Sallie Mae no longer needs to be a government-sponsored enterprise [GSE] to meet the needs of students, parents, and schools.

Through this action today, the Congress is demonstrating to the American people its willingness to cut the Federal Government's ties when they are no longer needed. This action is reinventing government at its best and I am pleased to be closely associated with this effort. Northern Virginia and the Nation will be better places as a result.

Mr. REED. Mr. Chairman, as a member of the House Committee on Educational and Economic Opportunities, I voted to report H.R. 1617 for a number of reasons, including the need to cut back and consolidate job training programs.

I did so with the understanding that this legislation was a bipartisan work in progress. To a good extent this has been true with one noted exception—vocational rehabilitation for our Nation's disabled citizens.

Regrettably, this bill, which does so much to consolidate programs and transfer responsibility to the States, would eliminate the current vocational rehab block grant which already works.

The job training system needs fixing, but the same does not hold true for the vocational rehabilitation system, and that is why the Senate did not tamper with the vocational rehabilitation system in its job training bill. The other body realizes that the current system already gives the States flexibility to meet the vocational rehabilitation needs of their citizens.

That is also why the National Governors Association supports the amendment to maintain the current vocational rehabilitation system offered by Mr. GREEN. The Governors understand the axion; ''if it ain't broke, don't fix it.''

Some would argue we need to increase competition between public and private rehabilitation providers, but the only problem is that in 21 States there are no private providers and in my State of Rhode Island there is only one.

Others argue that the General Accounting Office has criticized the current system. However, the GAO found that for every $1 invested in the vocational rehabilitation system reduced disability payments and increased revenues by $18. In addition, the earnings of participants were four times greater than nonparticipants.

Moreover, while the costs of the program have remained the same, success has increased even with more enrollees who have severe disabilities.

I am also concerned that the system proposed in H.R. 1617 would jeopardize the prospects of individuals with low-incidence disabilities, like blindness, who need very specialized services in order to enter the work force.

Therefore, I am pleased that my colleagues joined me in voting to protect our Nation's disabled citizens by supporting Mr. GREEN's amendment.

Mr. Chairman, I want to reiterate that H.R. 1617's goal of consolidation and rationalization is worthy of support, and I look forward to further improvements to this bill when it reaches conference.

Mr. KLUG. Mr. Chairman, Sallie Mae was created in 1972 to help ensure adequate private sector funding for federally guaranteed education loans. It operates under a Federal charter as a Government-sponsored, for-profit, publicly owned corporation. By ensuring liquidity to banks that originate student loans, Sallie Mae has fulfilled the underlying policy objective of full access for qualified students to education loans under the Federal Family Education Loan Program.

The secondary market that Sallie Mae has created is now occupied by 47 participants, and thousands of lenders nationwide are now originating loans and financing them in myriad ways. Market liquidity and access to loans no longer require Government sponsorship. Currently, Sallie Mae is restricted by its Federal charter from entering new lines of business to which its expertise may be suited, such as the processing of high volumes of heavily regulated paper or providing additional services to its college and bank partners.

A fully privatized Sallie Mae would remain committed to its core business of student loans, even as it expands into new arenas. In exchange for the freedom to expand into new areas of business, under H.R. 1617, Sallie Mae would give up the advantages of GSE status, such as exemption from State or local taxes and their exemption from certain SEC requirements. H.R. 1617 will allow the stockholders of Sallie Mae who have substantial financial investments in the company to make the decision on privatization. Once it's privatized, taxpayers will be relieved of the implicit liability estimated at $50 billion, stemming from the Government's implied responsibility for GSE's. I urge my colleagues to support the privatization of Sallie Mae and pass H.R. 1617.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute consisting of the text of H.R. 2332 shall be considered by titles as an original bill for the purpose of amendment.

The first six sections of each title are considered as having been read. Before consideration of any other amendment, it shall be in order to consider the amendment printed in House Report 104–249, if offered, by the gentleman from Pennsylvania [Mr. GOODLING] or his designee. That amendment shall be considered as read, may amend portions of the bill not yet read for amendment, is not subject to amendment, and is not subject to a demand for a division of the question.

Debate on the amendment is limited to a period of 10 minutes, equally divided and controlled by the proponents and the opponents of the amendment. After disposition of that amendment, the bill as then perfected will be considered as original text. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition to a Member who has caused an amendment to be printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

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''.

The CHAIRMAN. Are there amendments to section 1? If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer the chairman's amendment to the CAREERS Act.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GOODLING: Page 2, in the matter relating to section 108, strike ''Education'' and insert ''education''.

Page 2, in the matter relating to subtitle C, strike ''Worker Rights'' and insert ''General Provisions''.

Page 2, in the matter relating to section 141, strike ''Requirements.'' and insert ''Worker rights.''.

Page 2, after the matter relating to section 141, insert the following:

Sec. 142. Transferability.

Page 2, strike the matter relating to section 224.

Page 3, strike the matter relating to section 316.

Page 3, strike the matter relating to section 434.

Page 4, in the matter relating to section 702, strike ''Amendment to Higher Education Act'' and insert ''Eligible institutions.''.

Page 18, line 15, strike ''out-of-school''.

Page 30, beginning on line 20, strike ''organization representing parents''.

Page 31, line 1, insert ''and entity'' after ''agency''.

Page 31, after line 22, insert the following:

(H) the State entity responsible for setting education policies, consistent with State law, on the date preceding the date of the enactment of this Act.

(3) representatives of the State legislature.

Page 32, after line 24, add the following:

(3) DISAGREEMENT.—The Governor shall accept and include with the State plan submitted under section 104, 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.

Page 36, strike lines 8 through 13.

Page 36, line 14, strike ''(d)'' and insert ''(c)''.

Page 38, after ''including'' insert ''academic and vocational administrators, members of local schools boards, principals, teachers, postsecondary and other adult education administrators and instructors, including community colleges,''.

Page 62, line 3, strike ''customer'' and insert ''the''.

Page 63, line 1, strike ''will measure'' and insert ''must demonstrate''.

Page 63, beginning on line 18, strike ''appropriate'' and all that follows through ''among'' on line 19.

Page 71, line 2, insert ''by the Secretary of Labor or the Secretary of Education, as the case may be,'' after ''disallowed''.

Page 71, line 4, strike ''this Act'' and insert ''chapter 2 of title II, title III,''.

Page 71, line 5, strike ''the'' and insert ''such chapter or title''.

Page 72, line 25, strike the semicolon and insert '', which, to the extent practicable, shall be done through the private sector;''.

Page 68, line 3, strike ''elected''.

Page 89, line 19, strike ''Provision'' and insert ''Provisions''.

Page 92, beginning on line 1, strike ''skills'' and all that follows through line 3 and insert ''foundation and occupational skills needed to be successful in a competitive economy and to complete a high school diploma or general equivalency diploma;''.

Page 99, after line 20, insert the following (and redesignate any subsequent paragraphs accordingly):

(4) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NON-FEDERAL FUNDS.—Funds received under this title shall be used only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of youth participating in programs assisted under this title, and not to supplant such funds.

Page 139, line 15, insert ''media'' before ''technology''.

Page 140, line 25, insert ''and'' after the semicolon.

Page 141, strike lines 1 and 2.

Page 141, line 3, strike ''(iii)'' and insert ''(ii)''.

Page 148 line 8, strike ''one quarter of one'' and insert ''4''.

Page 149, line 21, strike ''one quarter of one'' and insert ''4''.

Page 222, strike line 10 and all that follows through page 225, line 13, and insert the following (and conform the table of contents on page 226, after line 14):

''SEC. 108. STATE OPTION REGARDING ALTERNATIVE DELIVERY SYSTEMS.

''(a) IN GENERAL.—In the case of the requirements referred to in subsection (b), a State may, in its discretion, elect to use alternative approaches for the implementation of any of the requirements if (subject to the other provisions of this section) the following conditions are met:

''(1) The Governor appoints a board to develop a proposed plan for the alternative approaches.

''(2) Individuals with disabilities who are not State officials or employees constitute a majority of the members of such board.

''(3) The membership of the board includes—

''(A) each State administrative agent designated pursuant to section 103(a); and

''(B) one or more individuals from private industry.

''(4) The State provides that the alternative approaches will be implemented in accordance with the plan developed by the board.

''(5) In the development of the plan, the public is afforded a reasonable opportunity to comment on the proposed alternative approaches.

''(6) The Governor submits to the Secretary a notice that the State is electing to use alternative approaches, and the notice is

submitted to the Secretary not later than 60 days before the beginning of the first fiscal year to which the election applies.

''(b) ALTERNATIVES REGARDING STATE ADMINISTRATIVE STRUCTURE FOR DELIVERY OF SERVICES.—For purposes of subsection (a), a State may elect to implement alternative approaches to requirements in accordance with the following:

''(1) The allocation under section 102(a) (allocating amounts between State administrative agents and local workforce development boards) is in the discretion of the State, except that not more than 80 percent of a grant under section 101(a) for a fiscal year may be reserved for activities of local workforce development boards.

''(2) With respect to the requirements established in sections 103 and 104, the allocation between State administrative agents and local workforce development boards of responsibilities for carrying out the requirements is in the discretion of the State.

''(3) The selection of State officials who are to administer the requirements of section 103 is in the discretion of the State.

''(c) REVIEW AND REVISION OF ALTERNATIVE APPROACH.—An election under subsection (a) ceases to be effective after the third fiscal year of being in effect unless, during such third year, the plan under the election is reviewed. The plan may be reviewed and revised annually. This section applies to the review and revision of the plan to the same extent and in the same manner as this section applies to an original plan under subsection (a).

''(d) PERFORMANCE ACCOUNTABILITY SYSTEM.—An election 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.''.

Page 236, line 10, strike ''2003'' and insert ''2005''.

At each of the following locations, strike ''2007'' and insert ''2009'': Page 237, line 16; page 242, line 21; page 243, line 19; and page 249, line 4.

Page 255, after line 21, insert the following new paragraph:

(3) LIMITATION OF OWNERSHIP OF STOCK.—Except as provided in subsection (d)(2) of this section, no stock of the Corporation may be sold or issued to an agency, instrumentality, or establishment of the United States Government, to a Government corporation or a Government controlled corporation (as such terms are defined in section 103 of title 5, United States Code), or to a Government sponsored enterprise (as such term is defined in section 622 of title 2, United States Code). The Student Loan Marketing Association shall not own any stock of the Corporation, except that it may retain the stock it owns on the date of enactment. The Student Loan Marketing Association shall not control the operation of the Corporation, except that the Student Loan Marketing Association may participate in the election of directors as a shareholder, and may continue to exercise its right to appoint directors under section 754 of the Higher Education Act of 1965 as long as that section is in effect. The Student Loan Marketing Association shall not provide financial support or guarantees to the Corporation. Notwithstanding the prohibitions in this subsection, the United States may pursue any remedy against a holder of the Corporation's stock to which it would otherwise be entitled.

Page 258, beginning on line 8, strike '', upon request of the Secretary of Education''.

Page 258, lines 11 and 16, strike ''voting common''.

Page 258, beginning on line 12, strike ''one year'' and insert ''6 months''.

Page 258, beginning on line 18, strike ''within'' and all that follows through ''shall purchase'' on line 20 and insert '', the Corporation shall purchase, within the period specified in paragraph (1),''.

Page 258, line 23, insert after ''financial firms'' the following '', however such price shall not exceed the value of the Secretary's stock as determined by the Congressional Budget Office in House Report 104–153 dated June 22, 1995''.

The CHAIRMAN. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GOODLING] and a Member opposed each be recognized for 5 minutes.

The Chair recognizes the gentleman for Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, let me say that these are changes to the Connie Lee privatization language. It shortens the time the Secretary of Education has to sell the Government's Connie Lee stock to 6 months, prohibits Sallie Mae from participating in the operation of Connie Lee, except Sallie Mae maintains representation on the board of Connie Lee, sets the purchase price for the Department of Education stock at no more than the CBO estimated value in the event Connie Lee is required to repurchase the stock, extends Sallie Mae phaseout by 2 years to comply with the 7-year budget agreement; adds State entities to the list of people that are part of the collaborative process to ensure that State boards of education can participate; adds State legislatures to the list of people who can participate in the collaborative process; adds academic and vocational administrators to that group; adds language to title II, the youth block, to ensure that the title II Federal funds are used to supplement, not supplant, State and local funds; encourages private sector coordination and development of a nationwide system of labor exchange services to the public; clarifies that the liability language only applies to the local work force development board and not to in-school educational programs or adult education programs; strikes reference to the Secretary of Labor evaluating performance standards, because there are no Federal performance standards; changes the percent set aside for Indians and migrants in adult training programs from one-quarter of 1 percent to 4 percent; strikes parent organizations from the list of people who can participate in the collaborative process, and just allows parents; strikes ''out of school'' from the definition of limited English proficient, so all youth are covered by the definition; allows States to change the financial distribution within the States for vocational rehabilitation services. If a State panel appointed by the Governor chooses to change such direction, the members of this panel must represent a majority of individuals with disabilities from the private sector, the State director of vocational rehabilitation, the State director of services for the blind, if applicable.

Those are the changes that are in the chairman's amendment.

Mr. Chairman, I yield the remaining time to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I was very pleased to see that the series of amendments that I originally proposed to this bill were incorporated by the committee chairman into the manager's amendment. Essentially, my amendments try to achieve two very important goals: First, they ensure that parents will be involved in the design and implementation of the vocational education programs that will be developed with these funds. Second, the amendments made clear that States and localities, not the Federal Government, will decide which performance measures or certificates they will require in their career training programs.

Research has clearly shown that parent participation improves all aspects of student performance. Discipline problems decrease, homework completion and quality improve, reading comprehension and time spent reading both increase. Furthermore, families are strengthened and parents develop closer relationships with their children and become more involved in their children's learning.

Parent participation is particularly weak in secondary vocational education. The National Association of Vocational Education found that one-third of the sites preparing local plans under the Perkins Act did not meet with parents, not even once, leg alone built a continuing partnership with families and the community.

I rise in support of the chairman's manager's amendment, which I think goes a long way to achieving these two very important goals of more parental involvement in the educational process, particularly in the area of vocational rehabilitation, as well as moving of the locus of power and authority more to the local level, where it is very much needed.

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I rise in support of this as well as in support of the entire bill.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentleman from Texas, Mr. GENE GREEN.

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Chairman, Members, the manager's amendment is a new amendment that, again, this bill came out of committee 2 months ago with the idea that we were going to work on title V of the vocational rehabilitation section of the bill, and we have seen changes in the last 10 days. We really need more than a weekend to deal with this.

But what the manager's amendment would do instead of cutting bureaucracy, which all of us want to do, and involve those parents involved in it, they are involved on the State level right

now, the State of Texas does not need the Federal Government to tell us to involve parents in their vocational rehabilitation programs for their children.

The amendment, the manager's amendment, would layer another bureaucracy because it would allow the Governor to appoint another agency to oversee the Federal funding. Again, in the general debate we heard that might be expanded to the legislative. But, again, that is not what I see in this manager's amendment that I have had a copy of that we got a copy of earlier.

We want to reduce the bureaucracy. We do not want to add another layer in. That is why the manager's amendment raises concern.

Again, title V of this bill, that substantially changes vocational rehabilitation, needs to be addressed separately in a separate piece of legislation and not in this, because we are going to lose some of the people who need it the most, people who need that vocational rehabilitation effort.

I appreciate the concern of my colleague from Florida about parent involvement, and when I was in the legislature in Texas, we required parents to be involved with public schools. We required public schools to get their parents involved. But, again, we do not need the Federal Government here in Washington telling them in Austin, TX, or even in Tallahassee, they have to get involved. That is part of most States' plans already. Parents are involved. They should. But most of this money is State money. It is not Federal dollars.

Let us leave those decisions locally. I would be glad to lobby my legislature to make sure they include parents because I know they already do, instead of saying we are going to impose a separate possible layer of bureaucracy on vocational rehabilitation. It is so important because we are dealing with, again, our citizens in this country who are harder to educate and harder to train and they are more expensive. We do not need to lose one dime to a bureaucracy that should be going to direct services for these people.

That is why the manager's amendment again has made great strides in some ways but still does not go far enough to deal with the concerns that I have and a lot of my colleagues and a lot of the agencies or agencies and individuals that we have with vocational rehab.

Let me read some of the individuals. You will see this yellow sheet today a great deal. American Council of the Blind, the American Foundation for the Blind, the National Federation for the Blind, the National Head Injury Foundation, the National Industries for the Blind, people who are opposing this bill and the manager's amendment because they are worried they are going to lose the basic support services that we have in Houston, TX, with the Lighthouse for the Blind that are serving a lot of my constituents.

With that, Mr. Chairman, I appreciate the opportunity to oppose the manager's amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] has 30 seconds remaining.

Mr. GOODLING. Mr. Chairman, I ask unanimous consent that both sides have an additional 6 minutes on the chairman's amendment.

The CHAIRMAN. Six minutes to be divided, 3 minutes to each side?

Mr. GOODLING. Six minutes either side, 12 minutes divided equally.

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

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] has 6½ minutes remaining, and the gentleman from Missouri [Mr. CLAY] has 8 minutes remaining.

Mr. CLAY. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I would just like to address a question which affects the manager's amendment and what we do the rest of the day.

I have prepared some amendments based upon the text of the bill, not necessarily based upon the text of the bill as amended by the manager's amendment. Will I be protected technically when I offer my amendments, in case they are not in the exact line or section? Will I be protected and have the assurance from the chairman that we can have whatever technical corrections need to be made before the bill is transmitted?

Mr. GOODLING. I was waiting for a legal interpretation.

The CHAIRMAN. The Chair does advise Members that under the rule, it is an open amendment process. The Chair advises the gentleman from Michigan that it is an open amendment process.

Mr. KILDEE. Well, no, my point is: We worked late last night preparing our amendments based upon the text of the bill that is before us. The manager's amendments have been offered and will probably be adopted. Our amendments may not be in the right exact line or section because of changes made by the manager's amendment. Will we be allowed to make those and have the Clerk make the necessary technical corrections to put those in a proper spot?

Mr. GOODLING. If the gentleman will yield, I would say the gentleman would be able to. But it does become the text, and I would imagine, if these were written last night, they would have been written to my amendments.

Mr. KILDEE. I did not have the manager's night amendments myself, however.

The CHAIRMAN. The Chair would advise both of the gentlemen that there will be situations where an amendment, as a result of a modification, may require modification in another portion of the bill, and that would be in order.

Mr. KILDEE. It would be in order? In the engrossing of the bill, any technical corrections may be made by the motion we usually make at the end of the bill?

The CHAIRMAN. You may redraft your amendments as the bill begins to change as a result of other amendments, if that is the question.

Mr. KILDEE. We will try to keep up.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. GRAHAM], another member of the committee.

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

Mr. GRAHAM. Mr. Chairman, we are very close to passing what I think is the best bipartisan effort in Congress. I am really excited about what we have been able to do in the Committee on Economic and Educational Opportunities and work together to come up with a good product.

One of the concerns I have had all along in the block granting program is that when we start the block grant, we do not tear down those things that work well. We know the problem areas. We made bipartisan effort to solve the problem areas.

One thing I have been concerned about the whole time is vocational rehabilitation. This is a group of people that really we need to stand up for and make sure that they are protected.

Let me tell you what we have done in this bill to make sure that voc rehab is protected. One, we did not cut any of the funding. The other three areas of the block grant had a 20-percent reduction in funding. Voc rehab stayed the same. The manager's amendment that the gentleman from Pennsylvania [Mr. GOODLING] was talking about creates a system that would allow the Governor in the State to have an alternative program that, in effect, would allow the system in the State to continue as it is if it is delivering a quality product in the eyes of those people that are receiving it in the State, and the Governor responsible, for administering the services in the State.

The gentleman from Texas, Mr. GENE GREEN, has been very good to work with. We are very close to getting an amendment that will allow this bill to go through in a bipartisan fashion. If we need some input from the State legislature, I am certainly open to that. Let us not turn back now. Most of the money does come from the Federal Government in the voc rehab area. There is a matching component that will not be changed by this bill on the States' behalf, but most of this money does come from the national Government. I think all of us, if we are honest with ourselves, will admit that voc rehab can be reformed.

But the manager's amendment, I think, makes great strides to give local control and local authority to fashion programs that deliver the best services to the disabled in each and every State.

One provision that I would like to point out of the alternative program, it

requires the Governor to appoint to the board individuals with disabilities who are not State officials or employees, and they shall constitute a majority of the board that the Governor or the legislature, in conjunction with the Governor, will create.

I think this is the right way to go. We cannot solve everybody's problems, but let us not get the bill off track because of this. I think we can work through the voc rehab problems.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, let me address my colleague, the gentleman from South Carolina [Mr. GRAHAM], and the concerns that he has. I think we share some of them because we both served in the legislature, and I agree with him that I like the idea of having these boards to be including recipients of the aid. Again, that is, I know, in a lot of our local States we require that anyway. But is that a requirement that should be sent down from Washington?

Again, I know I have worked on that, as a legislator, to make sure the people who are subjected to the rules are the ones also involved in the process and serving on those boards.

Let me go over some of the concerns I have about the specifics of the manager's amendment as it deals with vocational rehab. The proposed amendment would allow, again, the Governor to appoint a board which would develop a plan for allocation of vocational rehab funds between the State and local boards. Again, we may change that, and it may be allowing the legislative involvement. As the manager's amendment now stands, it is the Governor. The Governor would appoint the board to develop it. It, again, creates another layer of bureaucracy.

Different States could choose to implement vocational rehab programs in different ways, which that is the benefit of it because, again in Texas and South Carolina, although I think we have similar systems, but they are just a little different, to meet the local needs of our States. Some will opt for an alternative approval, while others can offer the approach prescribed elsewhere in this bill, and again we could then lose the national concern.

So, again, I think vocational rehab needs to be separated from this bill, like the Senate is doing, and deal with vocational rehab on its own.

Our committee held no hearings specifically on title V, and again last Thursday we had the majority staff release the changes of the markup to the bill. Now we have the manager's amendment, and we have not spent the time we need to on something as important as vocational rehab, that instead of just today and maybe the last few days, it should be as a separate piece of legislation.

I think my colleague, the gentleman from South Carolina, and I could agree on a great deal of things as long as we do not lump people who are vocational rehab recipients in with the general population.

Our State and a number of States for 50 years have contributed and made an effort to deal with vocational rehab and to provide funding for it, and they do not particularly want to see Washington come in and say, ''Well, we can do it better.'' I am concerned this bill may provide that guidance, and maybe set up a two-tier system, from what some States may be doing, and depending on what the Governor may decide to do, whether it is included in the legislation or not.

This amendment would not address other problems that are in the full bill regarding vocational rehab services.

Paragraph 105(B)(2)(d) of title V would continue to make the service plan optional, thereby removing program accountability for the direction and quality of the services. Again, we are on the floor of the House in Washington, DC, but the real people who need to know about this legislation, on the streets and in the facilities in Houston, TX and around this country, we want to make sure they are receiving that quality that they may not get if we pass this bill and this manager's amendment today.

This bill would continue to not contain any mechanism for the States to control the quality and appropriateness of those vocational rehab services.

That is why, again, Mr. Chairman, I rise in opposing the manager's amendment, and later on today we will have an amendment to title V that will strike title V and include and ask that vocational rehab be separated so we can get on to reforming our job training for everyone and not having vocational rehab recipients lost in this process, because that is my concern and that is the concern of a number of the groups who have been the beneficiaries of these services for many years.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of my time.

First of all, I would like to indicate there was a day of hearings on the vocational rehabilitation. I also would like to report that the Senate bill keeps vocational rehabilitation in its work force preparation bill. They have not changed their bill. They have kept vocational rehabilitation as part of it.

I would also like to read from the legislation: ''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. The State will establish plans, policies, and procedures to be followed in carrying out the program under this title.'' In other words, the State must ensure quality standards and quality outcomes.

But let me talk a little bit about the status quo, if that is all we want, if we just want to keep the status quo. Out of 12.6 million severely disabled persons, only 2.9 million are employed, which equals 23 percent. Employment rates for persons with moderate disabilities are comparable with the nondisabled, but employment rates for the severely disabled are drastically lower.

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Advocates for the status quo system cannot argue that VR is having a positive impact on employment. The employment rates have been constant during the life of the current Rehabilitation Act. A little over 1 million persons are served under the current Federal-State Vocational Rehabilitation Program. Of those served, about 200,000 cases are closed in a given year. Many of these people could be served by the regular adult program, but the minute anyone mentions that they may have some disability, bingo, they are immediately shipped off to vocational rehabilitation. For the vocational rehabilitation system, rehabilitated means a 60-day job placement. Big deal. Under this low standard, even with only a 60-day job placement, they could only have 71 percent case closures in 1994.

Now look at the success in comparison to tougher standards. Under the tougher Social Security Administration standards, a placement after 9 months, for severely disabled persons on SSI or SSDI, only 9 percent of such case closures were still employed. The 1993 GAO report on the Vocational Rehabilitation Program concluded that the gains in economic status made by the clients were temporary. Is that what we are doing; throwing a bone to the most needy? Within the study group the earnings of those classified as rehabilitated under the 60-day standard had, after 2 years, returned to near or below preprogram levels.

The Projects With Industries, PWI, program, a business community partnership placed 10,901 persons in 1994, 81 percent of whom were severely disabled. Of those served, 25 percent were severely disabled. PWI also costs far less than the current Federal-State program.

So, the status quo advocates cannot argue that their success is demonstrated or that their expertise is unique. Actually success rates in serving the severely disabled have fallen somewhat in the last 2 years.

Of the total $2.5 billion in Federal and State match spent on VR costs are administration, 10.4 percent, counseling and placement, 34.6 percent; purchased services, 54 percent. If we want the status quo and cheat these people, then just do not include them in the program.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment which affects portions of the bill not currently under consideration, and I ask unanimous consent for its immediate consideration.

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

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODLING: Page 70, line 24, before the period insert ''or to meet federally funded or endorsed industry-recognized skill standards or attain federally funded or endorsed skill certificates''.

Page 76, line 17, strike ''data'' and all that follows and insert ''data, which may be aggregated by demographic characteristics, on—''.

Page 76, beginning on line 18, strike ''demographic'' and all that follows through ''Act,'' on line 21.

Page 81, beginning on line 18, strike ''furnished'' and all that follows through ''identified'' on line 20, and insert ''contained in the information so furnished under this title can be used to identify any individual''.

Page 82, line 2, insert ''for purposes'' after ''retained''.

Page 82, beginning on line 4, strike ''or establishment''.

Page 98, line 24, after ''101'' strike ''or'' and insert '', 101A, 343(b),''.

Page 100, line 15, before the period insert ''or to attain a federally funded or endorsed skill certificate''.

Page 110, line 19, insert ''and parents'' after ''employers''.

Page 113, line 10, insert ''and parents'' after ''employers''.

Page 125, line 6, strike ''and''.

Page 125, line 9, strike the period and insert ''; and''.

Page 125, after line 9, insert the following:

(viii) implementation of innovative programs to increase the number of individuals trained and placed in nontraditional employment.

Page 127, line 19, before the period insert the following: ''and individuals seeking to enter nontraditional employment''.

Page 133, beginning on line 4, ''may have up to'' and insert ''shall within''.

Page 133, line 6, strike ''to''.

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

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

There was no objection.

Mr. GOODLING. Mr. Chairman, this technical amendment includes changes to H.R. 1617 that are both constructive and noncontroversial, worked out by the other side, I believe, or in agreement. It is an amendment adding to a State's discretionary activities the ability to implement innovative programs to increase the number of individuals trained and placed in nontraditional employment, an amendment clarifying that nothing in this Act shall mandate that any individual, particularly youth, be required to meet federally funded or endorsed industry recognized skill standards or attain federally funded——

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

Mr. GOODLING. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, we have reviewed the amendments, and we have no objections.

Mr. GOODLING. In other words, Mr. Chairman, the gentleman is saying, ''Stop talking; we agree.''

Mr. CLAY. Yes, Mr. Chairman.

Mr. GOODLING. I will quit while I am ahead.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 2 of the bill?

If not, the Clerk will designate section 3.

The text of section 3 is as follows:

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.

The CHAIRMAN. Are there any amendments to section 3?

If not, the Clerk will designate section 4.

The test of section 4 is as follows:

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 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 reallotment.

(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.

The CHAIRMAN. Are there any amendments to section 4?

If not, the Clerk will designate section 5.

The text of section 5 is as follows:

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.

The CHAIRMAN. Are there any amendments to section 5?

If not, the Clerk will designate section 6.

The text of section 6 is as follows:

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.

The CHAIRMAN. Are there any amendments to section 6?

If not, the Clerk will designate title I.

The text of title I is as follows:

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.

The CHAIRMAN. Are there any amendments to title I?

AMENDMENT OFFERED BY MR. KILDEE

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

The SPEAKER. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KILDEE: H.R. 1617: Page 91, strike lines 12 through 18.

Mr. KILDEE. Mr. Chairman, I am offering this amendment with my colleague, the gentleman from Montana [Mr. WILLIAMS]. This amendment would strike six lines in the bill which were added after the bill was reported from committee. That provision would allow transfer of 10 percent of funding from the youth block grant to the adult training block or vice versa. This provision would never have been approved in committee because it would completely undermine the ability of local communities to plan for the rational and effective use of limited education and work force preparation dollars.

When we set up these block grants, Mr. Chairman, we engaged in a productive debate about how to design an integrated, high performance career preparation and education system. In the face of 20 percent cuts in the authorization level, and over $2 billion in job training and education funds, this represents a very real threat to the stability of the system.

The greatest threat this poses is to local schools, your local schools. We all know that it is going to be next to impossible, Mr. Chairman, for States to meet the very stringent work requirements of the emerging welfare compromise.

Now, for Governors who are trying to avoid the penalties of failure to meet those targets, this new provision, which was not discussed in committee, will provide an irresistible source of funds for Governors. Our schools will be left holding the bag as Governors pull that 10 percent, from the schools transfer the funds to the adult training block to meet those emerging work requirements in welfare. So our schools again will be left holding the bag and the uncomfortable choice of raising local property taxes or new school levies.

Mr. Chairman, I would support this provision, if it contained the stipulation that the Governor certify that all needs under the title from which the funds are being transferred have been met. But that is not part of the provision. Otherwise this provision will seriously, I think, threaten the school-based part of vocational education by tempting the Governors to reach into the schools to pull more money toward those work requirements in the welfare bill.

So, I urge my colleagues to support this amendment.

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

Mr. MCKEON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. KILDEE]. I realize that it did pass out of committee without this change, but we have had the Governors and others have come to us with requests, and in trying to reach down, trying to push the money down to the local communities, it seems that this is a worthwhile thing to give them, 10 percent of

leeway between the two. Out of 100 percent of money, Mr. Chairman, we are only giving them 10 percent of leeway, and I think the Governors have every bit as much compassion on the local level as we do. There was language that this gives the States the flexibility to use the funds where there is the greatest need, but it does protect the basic four-grants structure of the bill. It gives the funds locally and ensures that the Federal dollars will reach the people and not the bureaucrats.

Some might argue and see this provision as the glass is half-empty, but I think that it is half-full in giving the local people more jurisdiction. The language provides a voice for local people. They can lobby their State legislators for funding, and their Governor. We are moving the decision-making out of Washington into the States, into the States and localities, and I think the whole premise of the bill is to drive decision-making down locally, however we do retain 10 percent of the decision here in Washington.

So, I think this is just a good compromise that we have been able to work out.

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

Mr. MCKEON. I yield to the gentleman from Michigan.

Mr. KILDEE. Two things that bother me:

First of all, schools have to plan. As my colleague knows, that is why we generally have education forward funded. The schools have to plan, and with the schools never knowing for sure whether the Governor may reach in and pull 10 percent of those funds out does not really make for good planning.

Would the gentleman be willing to put it some language saying that the Governor must certify that all needs under the block have been met before any funds are transferred.

Mr. MCKEON. Mr. Chairman, reclaiming my time, I served on a school board for 9 years. I understand what the gentleman is saying about planning, and it is a problem, but it is something that school boards live with all the time.

I know while I served on the school board the State would pass our budget and it would come down, the fiscal year was started in July, and throughout the whole year we were subject at any time to recall of some of those funds. They have that problem now that they live with, and this would be a small portion of the funds that they receive.

Mr. KILDEE. Mr. Chairman, if the gentleman will continue to yield, I have two sons in the military, so I would not want this to happen. But we would never say the President could transfer 10 percent of the funds from the Pentagon to some other program here, because the Pentagon has to plan also, and schools have to plan just like the Pentagon.

We would never be able to successfully have an amendment here on the floor allowing the President of the United States to transfer 10 percent of some Pentagon funds to another agency. Why do we do this to schools?

Mr. MCKEON. Mr. Chairman, reclaiming my time, the schools, as they are now operating in the real world, never plan to spend 100 percent.

Mr. KILDEE. The Pentagon is in the real world, I would hope. My two sons are lieutenants in the Army.

Mr. MCKEON. School boards never plan to spend their whole 100 percent because they understand how this process works, and they always leave a contingency there, and I think that is good sound planning. I think they would continue to do that on this basis.

Mr. KILDEE. Well, I am just wondering why we always make schools have bake sales to make up the difference. We always let people raid school funds and not other areas of government.

Mr. MCKEON. This is not just schools, it could be just the opposite. It could be 10 percent from those out of schools. It could mean more money for schools.

Mr. KILDEE. It could.

Mr. MCKEON. So, really, what we are looking at is we have 50 Governors over the 50 States, we have the State legislatures, who are very close to the people in their local States, their local communities, and we are just trying to give them a little discretion out of all this money that we are giving them. I think that this is reasonable.

Mr. KILDEE. Mr. Chairman, if the gentleman will continue to yield, I read the amendment. I know it could flow from title II to title III and vice versa. But in this environment which are we are in right now, while we are changing welfare as we know it, and we are putting increased pressure on getting into the work force, which I agree with, the pressure is going to be on pulling money from schools to the adult part. That is the way the money will flow in the next few years.

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

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

Mr. GUNDERSON. Mr. Chairman, I rise in strong opposition to this amendment and encourage my colleagues to understand what we are talking about here. First and foremost we are talking about flexibility. That is the foundation of the whole bill.

Second, let us understand that we are recognizing that we are making cuts, cuts the gentleman from Michigan and I might not necessarily like, but the reality of deficit reduction means we are going to be making cuts. That means States and locals are going to have to make priorities.

Mr. Chairman, I will tell Members that the job training realities in Michigan are different than the job training realities in Wisconsin, and different than the job training realities in California, and different than the job training realities in Pennsylvania. What does that mean? That may mean in a unique situation there is some State that wants to take money out of the youth training and put it in the adult training. I am willing to venture that the bulk of the transfer of moneys, however, will be from adult training into the youth training. It will be into the schools. This money can go either way. There is not a prohibition that says it can only go in one direction.

Mr. Chairman, let us assume the worst case scenario. Let us assume the worst case scenario, that every Governor in every State decides to transfer 10 percent of the funds from one program to another nationwide. We are talking about the maximum amount of every Governor transferring is $200 million. That is the maximum number, based on the authorization not on the appropriation level. If we look at what the appropriation bills are doing in this area, it will be less than that.

I think we should understand here what we are trying to do. We are trying to recognize that we are going to have to allow some flexibility and some creativity in each State. We should take a look at the programs in the adult area and we will find that most of those programs in the adult area, most of the funding is in dislocated worker assistance or in adult training programs as we know them. Job Training Partnership Act. Let us assume a State like Wisconsin. We have a very good economy right now. I have little doubt what our Governor is going to do. Our Governor, who is committed to some of these transition programs for youth, I have little doubt that what he will do is take some of hat money that we would get under the adult training side and literally put it into the schools, because it would make sense from a Wisconsin Governor's perspective to do just that.

Mr. Chairman, I would encourage my colleagues to recognize flexibility goes both ways, and, most likely, when we look at the programs there in each area, especially when we are dealing with equal funding, the number of programs in the youth training program is 2.9, the number of programs that are in the adult training is 2.7. We are not robbing Peter to pay Paul. Here they are both starting on equal funding, and we are saying to the Governors we are going to recognize your desire for some flexibility in this area.

This is not going to be disastrous on either side. It is going to provide some flexibility, and, from that perspective, I would encourage my colleagues to reject the amendment and live with the base bill.

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

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

Mr. OWENS. Mr. Chairman, I rise in support of the amendment, and I would like to speak briefly about two aspects

of this problem. One is, education is being cut drastically. Education is being cut by almost $4 billion. Federal aid to education. Those are not the only cuts in education. They are cutting education at the State levels and cutting education at the city levels. Education for children in school.

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

Mr. OWENS. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, I appreciate the gentleman yielding because that is the whole purpose. I was one of the Republicans who voted against the appropriations bill. I agree with the gentleman that we have cut education too much, but the bill we have in front of us will allow those Governors to transfer some money from those adult programs into the very education programs that the gentleman thinks have been cut too much.

Mr. OWENS. Mr. Chairman, reclaiming my time, I thank the gentleman for his observation, but what I am speaking of, has the gentleman seen these values that liquid can flow one way but it cannot flow back? We need a valve where they can transfer money into the school systems and not out of it. If we can get transfer that way, that is the most appropriate transfer, because the bleeding is taking place in the public school systems, in the systems that serve children.

That is where the tremendous lacerations have been made by this Republican controlled Congress; $4 billion, almost, is being lost, and now we are jeopardizing just another $200 million we say might be transferred. But every bit counts.

Mr. Chairman, there are some school systems, like the one that serves my constituents in New York City that started out with a negative: 8,000 high school children and no seats to put them in. There is no hope on the horizon for getting funds for new buildings. At the elementary school level they do not have money for chalk and erasers. So we are in a desperate situation here, and it will not be made better by the cuts they are going to face next fall.

They think things are bad this fall, wait until the Republican cuts go into effect next fall. And $1.1 billion is being cut out of title I. That is one-seventh of the title I funds. That means one-seventh of the money flowing into the New York City schools will be cut from the title I program. That is no small amount of money.

So, Mr. Chairman, we have a problem in terms of education, which we need so drastically. It is on the losing end. Never before have we had such drastic cuts in Federal aid to education. But that does not tell the whole story. The Federal Government is setting the tone for what is happening at the State and local levels. So there are cuts all around.

The other thing we must consider is the fact that this myth that has been perpetrated this year is totally inaccurate. The myth that State and local governments are superior to the Federal Government in terms of incorruptibility, in terms of competence, in terms of efficiency. That is a myth that has been generated this year. There is nothing in history to support that myth. There is nothing in the clippings of our local newspapers that will support that myth.

Mr. Chairman, if we go back and examine some of the worst corruption cases in the history of the country, the corruption cases are at the local level. There is corruption at the State level. If we look at Federal funding for programs close to the one we are considering today, look at the SETA program. SETA was destroyed by corruption and incompetence at the local level.

It is the local and State levels that were the problems and continue to be the problems. This myth we have invented for the convenience of the budget cutters, people who want to make drastic reductions in the Federal aid to education, have chosen to blow up local government and State government as some kind of paragons of virtue. They are not. The likelihood that we will have patronage considerations over educational considerations, the likelihood that we will have out-and-out corruption is greater at the local level and at the State level. Sure, it does not get as much publicity, and one of the reasons that corruption goes on and on forever is because it is not exposed in the way the Federal Government is exposed. At the Federal level we have much more visibility.

Mr. Chairman, we are up against a situation where there is the likelihood that Governors and local administrators will have more pressure put on them by the local clubhouse hacks to produce jobs and to produce results for the adult programs than for the children. That likelihood is very real. It is very real, and we need safeguards against it. Beyond the safeguards, we need to have some kind of incentives provided, some kind of protection provided for education.

Mr. Chairman, the one-way valve I am talking about would be a much more innovative and useful device for the education of children. I do not think children would be protected at all by leaving it wide open and allowing this flexibility at the level of the Governors and the local level. I think that the fact that this language was slipped in at the last minute shows that the people who are the authors of the bill do not lend credibility to themselves.

Mr. SOUDER. Mr. Chairman, I move to strike the requisite number of words, and I rise to reluctantly, and I want to say very reluctantly, oppose the amendment offered by the gentleman from Michigan.

I hope if there are ever grades given in the art of compromise, that I do not pass with high and flying colors; that I get it kicking and screaming, just a bare passing grade. As Members may know, in committee, I worked with the gentleman from Montana [Mr. WILLIAMS], and others that have concern about Governors moving the money between the different categories. I believe that when the Federal Government allocates the money, we can at least set minimum criteria, not in how to execute these grants but in basic guidelines of where, in general terms, the money should go and some overriding standards as to the results that should be achieved but not micromanage their decisions.

Mr. Chairman, I believe in this bill we have made a number of compromises in order to move forward, to keep the four categories as opposed to a general block grant, to protect as many of the categories as possible. While this does allow a minimum number of moving between a couple of categories, which I personally only supported with great reluctance, at this point I do believe we have a bill that can hold together and make it through the House and into law, and so I reluctantly oppose the gentleman from Michigan, even though I very much respect his point.

Mr. WILLIAMS. Mr. Chairman, I move to strike the requisite number of words, and I support the amendment of the gentleman from Michigan [Mr. KILDEE], my friend and colleague, although I must say, if we only look at the money that could be moved, it is a close call. It is not a close call, though, on other elements, which I think have not been fully explored during the debate, and that is with regard to governance.

Mr. Chairman, this amendment, allowing Governors to move money between youth and adult training programs, will allow them to do something with Federal money that they cannot now do with their own State money.

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There are 15 States that elect chief State school officers and give them governance over education. There are nine States that have State elected boards of education. They choose a chief State school officer and provide all education governance to that chief State school officer.

So my friends, the point is this: In those States, Governors cannot move money from education to training. Yet we are going to give them the right to do that with Federal money, a right that they do not now have under law. They are going to be able to violate the constitutional responsibility of their own chief State school officer, take education money, up to 10 percent of the total of the Federal money, away from that chief State school officer, and put it over here in labor, in training programs. This is something they now cannot do with their own money, because of their own constitutional prohibitions.

Now, there is another problem in what we are doing. I think that first

problem is very significant and going to create a lot of consternation in the States between the chief State school officers and the Governors. But there is a second problem.

This Congress, after many, many sessions of work, and after attempts by two or three Presidents, is finally, I think, going to pass significant welfare reform legislation, and we are going to have a massive training component and work requirement, at least work requirement, in that welfare reform bill. We are going to do something else: We are going to cut the money available to the Governors to train our own constituents.

What are the Governors going to do? Turn to the education money, pull 10 percent of it out, and put it over here in the training money so they can train their welfare reform people and bring them up to the standards that are going to be required.

So on the one hand, we are going to propel the Governors to do this through our welfare reform legislation; and on the other hand, we are forcing them into a fight, if they do do so, with the very people in their States who now have jurisdiction over this education money. We are going to force the Governors to reach in, take money from their chief State school officer, take it away from youth education and use it over here in adult training. That is a fight the Governors and chief State school officers are going to wish we had never forced them into.

Therefore, I think the gentleman from Michigan [Mr. KILDEE] is showing some good foresight here and wisdom in saying ''Let's not start down this path. It will create governance problems, and, to a lesser degree, will create financial problems for the chief State school officers.''

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

Mr. Chairman, with all due respect to my colleagues on the other side of the aisle, because I think they have made very constructive contributions to the drafting of this legislation, I should point out that the language presently in the bill, the 10-percent transferability, represent a compromise with the governors, who initially wanted a 20-percent transferability across the four consolidation block grants.

In drafting this legislation, we have attempted to at each stage of the way find a delicate balance between the concerns of various interest groups like the Governors, like the family groups, like the business community, in coming up with language that would be acceptable on a broad basis.

This bill language just observes the longstanding American tradition of decentralized decisionmaking in education. I do not think anybody participating in this debate today would dispute that longstanding tradition.

Furthermore, it respects the needs of local communities. We want to give not only the Governors, but local decisionmakers in local communities the maximum say and the maximum flexibility in ultimately deciding how to use these funds from the Federal taxpayers to best meet the needs of their local work force, and certainly of young people who are in the education system and are making steps towards entering the work force.

So, again, we are simply here trying to observe the concept of federalism, taking a decentralized approach, respecting the longstanding tradition of States and local communities to control education and job training decisions.

The other point I wanted to make was on the funding level, because we are going to hear a lot of debate here on the floor today about whether or not we are adequately funding these block grants. I want to point out to my colleagues that I share the concerns of the gentleman from Wisconsin [Mr. GUNDERSON], as one member of the Committee on Appropriations.

I personally hope we are able to come through the appropriations process and fund these education and job training block grants at the postrescissions level. Another way of putting that is, I hope we can get the funding back to the level previously determined through a bipartisan agreement between the Republican-controlled Congress and the Democratic administration and the President on the rescissions bill. That is my hope and intent as we gear up here for the final stage of the appropriations process and go to conference on the Labor-HHS-Education appropriations bill with the Senate.

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

Mr. RIGGS. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I appreciate the gentleman's comments.

Mr. Chairman, the gentleman mentioned that this is a compromise with the Governors. It is a compromise with his side of the aisle, because the Governors never negotiated with us. We wrote this bill in committee in a very bipartisan spirit. The bill came out of committee, I think, with only four negative votes. Then the Governors came to that side of the aisle and worked out a compromise.

I think they have jeopardized a bipartisan effort. if they want a compromise, we are still here, too, but they choose to compromise only with that side of the aisle.

Mr. RIGGS. Mr. Chairman, reclaiming my time, I would simply point out, my personal view is that the suggestions and contributions by the Governors, and obviously we have been principally working with the Republican Governors, but all the Governors, have only helped to refine and improve the legislation before us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. KILDEE].

The amendment was rejected.

AMENDMENT NO. 25 OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Chairman, I offer an amendment, amendment No. 25.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WILLIAMS: Page 31, strike line 1 and insert the following:

(2) the lead State agency, entity, official, or officials

Page 31, line 4, after ''(including'' insert ''the State entity responsible for setting education policies for activities under this Act, consistent with State law, on the day preceding the date of the enactment of this Act and''.

Page 32, after line 16, insert the following:

(2) ACCEPTANCE OF CERTAIN RECOMMENDATIONS.—The recommendations of any State agency, State entity, or State public official described in subsection (b)(2) with respect to any portion of the State plan described in section 104 that affects programs that are under the jurisdiction of the agency, entity, or official shall be accepted by the Governor of the State and the other participants in the collaborative process, and shall be incorporated in the plan, unless the plan includes a finding by the Governor that the recommendations are inconsistent with the purpose of this Act.

Page 32, line 17, strike ''(2)'' and insert ''(3)''.

Page 36, after line 7, insert the following:

(11) A designation, consistent with State law, of the State agency or agencies to serve as administrative or fiscal agents for purposes of titles II and IV.

Mr. WILLIAMS. Mr. Chairman, this is my State governance amendment and follows on the last debate, and in particular on my words in the last debate. That is, I am concerned that this legislation, particularly given that the Kildee amendment has failed, will create a governance problem within the States among the Governor and the chief State school officers.

My amendment makes it clear that this bill does not interfere with the decisions that States themselves make with regard to how to organize themselves, particularly when they have done it under constitutional mandate. At both the subcommittee and full committee level I worked with both of the chairmen to develop language that stated that this bill was not intended to negate or supersede or interfere with State organizational decisions. Although we placed some language in the bill, we also set up a process for putting together State and local plans that could be in conflict with this principle and which could also lead to unnecessary confusion at the State and local level, and that would have the result of unfortunate political struggling.

So my amendment follows what I hope is a pretty simple path: It says when putting together the State plan for funding under this bill, the Governor has to include as part of that plan the recommendations of the State agency that has jurisdiction over those specific areas funded under this plan. If the Governor, however, finds out that those recommendations would be inconsistent with the purposes of this

act, he would not have to include them in his agency recommendations.

Now, let me say again part of what I said during this debate just concluded. Let me tell you why this is, I believe, necessary.

In a number of States, there are State constitutions that place jurisdiction for education programs under the jurisdiction of some person other than a Governor, quite often an elected chief State school officer. Some States, by the way, do the same for labor programs and the training efforts that come under them.

We obviously have to respect those State constitutional decisions, or we will be allowing Governors, perhaps, to do something under the cover of Federal law that they cannot do under their own State constitutions. Maybe that is why Governors came in here at the last minute lobbying for some of these changes, do you suppose?

Let me also say again what I said before, in case there is anyone in the Chamber of listening that was not here during the last debate. We have 15 State school officers who are elected representatives of their people with jurisdiction over State education matters. They are the constitutionally chosen individuals within their States to administer education programs, including Federal education programs. But this bill, without this amendment that I am now offering, undermines those State decisions.

We have, as I said earlier, other States that elect their State school boards who appoint a chief State school officer and place in that person the jurisdiction of administering and being responsible for State education efforts. So in those States, education is not under the control of the Governor. In some States training programs are not under the control of the Governor

I think we should make it clear as possible with this legislation that we are not trying to impose on the States our governance structure through this bill with regard to what authority the Governors have, particularly if that governance structure in this bill is at variance with the State's constitution.

So my amendment makes no changes to the heart of this bill. But what it does do is preserve State decisionmaking, particularly governance matters and jurisdictions with regard to the States.

I encourage my colleagues to accept this amendment. I believe it is important. I think it will stop or prevent a lot of legal and political wrangling in the various States.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this issue is always a very difficult issue on every piece of legislation that comes out of our committee, and we have gone round and round on this for many, many years. The problem, however, with this particular piece of legislation is it is so different than many others, in that we are not just talking about education, we are bringing into this collaborative process many different entities.

Now, if we would accept the gentleman's amendment, then we would set education on a totally different level than all of the others who are participating in this collaborative process. So normally we are talking only about education. It makes it a little more simple than this. But this particular time we are not only talking about education, we are trying to develop a collaborative process that will finally fine tune our programs so we will be able to compete on a worldwide basis in the 21st century. So my opposition would be that we will positively dilute the collaborative process if we go this route.

Now, in the bill we say 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 the programs that are under the jurisdiction of the agency and the official.

We say nothing in this act shall be construed to interfere with the authority with such agency, entity, or official to enter into a contract under any provision of law.

Several State constitutions which have elected chief State schooling officers or State boards of education, these State constitutions also require that education funds go to these elected bodies. Language in the CAREERS bill prohibits the Federal Government from superseding State constitution and State laws.

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In States where there is not a constitutional issue, CAREERS provides the Governor with the final authority.

So, again, I realize this is always a very difficult issue. I am sure it will get more recognition as we go through the conference. But it is somewhat different this particular time, because now we are talking about a collaborative process, we are not only talking about education in relationship to the Governor and the State.

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

Mr. GOODLING. I yield to the gentleman from Montana.

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding to me.

I know from working with the chairman of the committee that he has the concern that this governance matter be properly respected. That is the matter to which he is speaking now. There is still, as the gentleman knows, a difference of opinion about whether we have really boilerplated this so as to stop this political and legal haggling which I fear we may create.

Knowing the chairman's wish to get this part right, I would be happy to withdraw the amendment with the Chair's assurances that the Chair is not entirely married to the committee language and is still willing to consider our point of view and work with us as we approach conference.

Mr. GOODLING. Mr. Chairman, I think we can consider each other's point of view between now and during conference, because I am sure it will be an issue again in conference. I share the gentleman's concern.

Mr. WILLIAMS. Mr. Chairman, we do have the gentleman's assurance that he shares the concern on the governance matter.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

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

There was no objection.

AMENDMENT OFFERED BY MR. OWENS

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

The Clerk read as follows:

Amendment offered by Mr. OWENS: Page 71, line 2, strike ''Expenditures'' and insert ''With the approval of the Secretary, expenditures''.

Page 71, line 3, insert after ''other criminal activities'' the following: '', or mis- expenditures of funds due to willful disregard to statutory requirements, gross negligence, or failure to observe accepted standards of administration''.

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

Mr. OWENS. Mr. Chairman, this amendment would impose financial penalties for the misuse or abuse of Federal training dollars. One of the great mythologies, as I pointed out when discussing the previous amendment, one of the great mythologies upon which this bill is based is that the only bad government is the Federal Government, that waste and corruption can only occur in Washington and that State and local governments are populated by saints and angels.

Massive amounts of Federal dollars are turned over to States and local governments in this bill with minimal supervision and minimal accountability. There has not been a job training program this loosely structured since CETA, the Comprehensive Employment Training Act. Do Members recall what happened to CETA?

Do Members recall how infamy was brought to CETA by local and State governments? I have served at all levels of government. I know from experience that the sponsor's faith in the purity of State and local government is misplaced. This is a myth that has been deliberately created to justify moving large numbers of programs to the State and local level in order to cut those programs in the process.

Mismanagement, incompetence, greed, and venality are, if anything, more pervasive the lower one goes into government. It is less visible, but it is more pervasive. For that reason I have no doubt that, if this bill is enacted into law, we will all be reading about outrageous scandals and abuses in a year or two.

But if we are going to adopt the honor system when it comes to job training programs, if we are going to

create CETA part 12, we should obtain some mechanism for the Federal Government to recover taxpayer dollars that are misspent or wasted. Under our current job training programs, as under all Federal grant programs, grantees who misspend funds must repay them to the Treasury with non-Federal dollars.

This bill, however, includes a very generous forgiveness provision that lets the wrongdoers off the hook. Taxpayers listen closely. Instead of repaying the money they misspend, they can just deduct is from their next grant. No questions asked.

The taxpayers lose their money. Persons who need training do not get it. And the bureaucrat responsible for it all gets away without even a slap on the wrist. My amendment would more carefully target those instances in which the forgiveness provision would be available.

It would deny forgiveness and require restitution when a bureaucrat misspends funds due to, one, a willful disregard of statutory requirements, gross negligence or, three, a failure to observe accepted standards of administration. In other instances when an auditing exception is due to simple error or an honest mistake, grantees could deduct the funds from the next grant. But when the misexpenditures are deliberate, or due to incompetence, restitution must be made.

In many cases, the problem will be deliberate misuse of funds, and this is not play money. These are tax dollars. No one, whether they are in Federal, State, or local government, should be given license to misspend the taxpayers' dollars.

This is a very elementary amendment, very elementary proposal. This is a very standard requirement that is included in all legislation up to now. Why are we suddenly creating incentives for misspending funds? Why are we creating temptations for people to play with Federal money? The amount of Federal money gets smaller and smaller that is available for education and for job training. We want to make small amounts of money more vulnerable to being raided by people who prey upon Federal programs and who prey upon the people who need these very critical programs.

I would like to know why this amendment cannot be accepted as sort of standard operating procedure being continued? We have it already. For what purpose has the majority decided to make things more easy, lenient for people who engage in misspending of Federal funds? For what purposes are we courting corruption? What do we gain by making the laws more lax as we go through this gigantic transformation of government pushing down to the local level and to the State level programs which recently worked under the jurisdiction of the Federal Government?

I do not understand why we have taken this step. All of us know that there are still cities and towns in this country controlled by organized crime. All of us know that there are rampant examples occurring every day of gross mismanagement in various departments of State government and city government.

I do not like to refer to the O.J. trial in this setting, but we see massive incompetence in every level of Los Angeles City government, and we see in the context of the police department a department of city government with ongoing gross corruption of the worst kind.

In New York State recently we had the State police facing a scandal of fingerprints being planted by State police. On and on it goes. Corruption at the local level is the basic problem, and we should try to counteract it.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first of all, I understand the concerns just expressed. We, too, of course do not want program dollars for individuals to be diverted to cover up sloppy administration. We want to work with you as we head to conference on the issue. But herein is the problem. It was mentioned over and over and over again, local officials, corrupt local officials.

I do not want to say that somehow or other all State and local officials are corrupt. I think we have some housing ghosts in our own closet on the Federal level. But herein lies the problem, we are trying to get away from having local officials dominating what happens. So we set up this work force board, and we set up a board that is primarily made up of local business persons.

We cannot assign them the risk, the liability. Who then do we assign the risk and the liability? Well, we assign it to those very local officials that were just degraded. That is the dilemma that we are faced with. How do we have this board be autonomous? How do we lift this board away from the influence and the control of those local elected officials?

If we do not deal with the liability issue somehow, we are not going to be able to make that change. The local officials are still going to be totally in charge, and that board, of course, will have very little influence whatsoever. And we are counting on that board to make the changes that we believe need to be made.

I realize it is a tremendous dilemma, but what we are doing, if we go strictly by the gentleman's amendment, what we are doing is turning it right back to total domination by those local elected officials that we talked about. There must be come way to change that.

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

Mr. GOODLING. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, we understand what problem the gentleman is trying to get at. We on this side, most of us agree that there is a problem. I was just wondering if maybe we could work on this and get some language by the time we get to conference that will achieve what we want.

I think that these funds ought to come out of the administrative funds that are going instead of penalizing the recipients of the training program. So I am in total agreement with what the gentleman is trying to accomplish.

Maybe between now and conference we can work on some language.

Mr. GOODLING. Mr. Chairman, I would be happy to work between now and the time we get to conference and see whether we cannot come up with some agreeable language where we can protect those local private people and at the same time not allow the local elected officials to dominate the changes we are trying to make, the reforms we are trying to make.

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

Mr. GOODLING. I yield to the gentleman from New York.

Mr. OWENS. Mr. Chairman, in placing liability, I did not see where liability will be placed on the recipients. The gentleman said the recipients of the training would be suffering. I do not see where the recipients would suffer at all except in the case of where we take money out of next year's program to pay for mistakes that have been made in the previous program. Then we are shortchanging the recipients.

Mr. GOODLING. Mr. Chairman, I think where the recipients will be hurt is that we are going to turn the total control of the operation back to the local government that the gentleman had a lot of dissatisfaction with. That is where I think they will be hurt.

I think the recipients will get a much better program if we give as much flexibility and as much control to that board. But if we stick that board with liability, of course, then that board is not going to serve, is not going to function. It is going to be the local elected officials who are going to assume the liability and then assume control totally of the program. Then I think we are back to CETA.

Mr. OWENS. Mr. Chairman, if the gentleman will continue to yield, I do not agree with the liability being a problem where total control has to be regained. I think it is a far simpler procedure than that. But if the gentleman agrees to try to work it out, I certainly would agree to an effort to work this out.

Mr. GOODLING. Mr. Chairman, I thank the gentleman.

Mr. OWENS. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

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

There was no objection.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

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.

The CHAIRMAN. Are there any amendments to title II?

AMENDMENT OFFERED BY MR. KILDEE

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KILDEE: Page 100, after line 17, insert the following:

(e) FISCAL EFFORT.—

(1) IN GENERAL.—No payments shall be made under this title for any fiscal year to a State unless the Secretary determines that the combined fiscal effort per student or the aggregate expenditures of such State with respect to vocational education for the fiscal year preceding the fiscal year for which the determination is made was not less than 100 percent of such combined fiscal effort or aggregate expenditures for the second fiscal year preceding the fiscal year for which the determination is made.

(2) WAIVERS.—The Secretary may waive, for one fiscal year only, the requirements of this subsection if the Secretary determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

Mr. KILDEE. Mr. Chairman, I would label this amendment the State-national partnership for education amendment. It could also be called the no-free-lunch amendment.

Right now States must show that they are maintaining their fiscal commitment to programs that are receiving Federal funds. Why do we do this? Because it helps create a larger pool of funding and a shared commitment to achieving the goals of the program.

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My colleagues should know that the Senate job-training bill, which will be voted on next week, has the current law, the current maintenance-of-efforts language. This was never an issue over in the Senate. It was assumed by our colleagues in the other body that both partners in this endeavor would be required to invest. The Senate welfare bill also has a maintenance-of-effort provision.

My good friend and chairman has on many occasions said that he is opposed to general revenue sharing, and that Federal funds should not replace State funds. Without my amendment, that is precisely what we will see.

Finally, I want to read a quote from a report recently issued by the Consortium for Policy Research in Education in ''An Outlook for School Revenue in the Next 5 Years.'' The report states: ''The environment for increases in real school revenue per pupil in the rest of the 1990s will not be favorable. The most significant problem is likely to be reductions in Federal aid to States. States will respond to decreases in Federal aid for social and health programs by trimming increases in State education aid.''

Mr. Chairman, let us not hand States an open invitation to evade their responsibility. Let us keep this very healthy partnership alive. I recognize that in the manager's amendments, they put some half language in on supplement not supplant, but this does not address the core problem.

I think we have to have in place a strong requirement that the States not supplant their dollars with the Federal dollars; that they fully maintain their efforts. We should reinstate the language that we have used for years, the same language as the Senate in its wisdom kept in the bill.

Mr. MCKEON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the Federal Government is reducing the overall amount of funding provided for youth programs. The Federal Government should not at the same time, then, require States to continue their support when they are not maintaining the same amount. There is burdensome paperwork that would be involved with this. It is difficult to determine exactly what services would or could be included.

In the Senate bill, on their side they have a welfare bill offered by Senator DOLE on September 17 that requires States to maintain 80 percent of their current commitment for AFDC programs. The amendment would be added to the bill without any objection. What we are striving to do with this overall program is give as much leeway and help to the local governments as is possible, and this amendment would cause some problems with that. We are trying to work on this at this time.

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

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

Mr. RIGGS. Mr. Chairman, I just want to point out to our colleagues who may be following the debate on the floor that the gentleman made just a moment ago a very important point when he mentioned the action in the other body by Senate Majority Leader DOLE in his manager's amendment to the welfare reform job training bill in the other body requiring the States, under a maintenance of effort provision, to maintain 80 percent of their current commitment for AFDC programs. The amendment now on the floor before the House, in fact the gentleman from Michigan [Mr. KILDEE] was making mention just a moment ago, I believe, of recent actions in the other body, but his amendment would require 100 percent maintenance of effort. Obviously there is a vast difference between the 100 percent maintenance of effort requirement in his amendment and the amendment offered by Senator DOLE to the welfare reform job training program requiring that funding be maintained at 80 percent of the current level, but still allowing us to achieve one of our most important goals with the legislation, and that is to actually accomplish an administrative cost savings that can be applied to deficit reduction and used as part of our long-term efforts to balance the Federal budget.

I appreciate the gentleman yielding so I could make that very important distinction.

Mr. MCKEON. Relaiming my time, when I was home over the last weekend, Mr. Chairman, I was visiting with local school administrators and school board teachers. They wanted to go over some of the cuts we were talking about. They agreed that some of the cuts were necessary, but what they asked was if possible, then, would we not continue the mandates. If we are going to cut back the funds, let us not continue with the mandates. I am in strong support of that. I think when we cut back funds, we also should cut back mandates so we do not burden the local communities.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. KILDEE].

The amendment was rejected.

The CHAIRMAN. Are there further amendments to title II?

AMENDMENT OFFERED BY MRS. MINK OF HAWAII

Mrs. MINK of Hawaii. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mrs. MINK of Hawaii: Page 105, after line 13 insert the following:

(5) a description of how the State will maintain programs for single parents, displaced homemakers, and single pregnant women and programs that promote the elimination of sex bias.

Mrs. MINK of Hawaii. Mr. Chairman, this amendment tracks parallel to the amendment that we have just been discussing. It is an amendment which goes to a concern that many of us have shared over a long period of time. That is, in the identifying of programs and structuring many of the programs in job training and vocational education, particularly for women, much has been

left out. So about 11 years ago, the Congress saw fit to include in the description of the programs special attention for career development, vocational education, educational programs generally that would be focused upon the specific needs of girls and women.

What happens in this legislation, which block-grants into four categories large sums of moneys that are being committed to the States, for the States to identify exactly how they are to be spent and what programs are to be funded under it, we have no designations with respect to an emphasis or consideration for women and girls, for displaced homemakers, for single parents, for single pregnant women, and so forth.

While I understand the aversion of the majority Members of this body to earmarking and setting aside specific funds for this purpose, I do not think that the concerns of Members are any less today than they have been with respect to the recognition that girls and women in these particular categories need special attention, and we must not allow the programs that are developed at the State level using these block funds to forget or pay less attention to their needs.

What I have asked this committee to do is to distinctly provide in title II of this bill, H.R. 1617, language which requires the States, in submitting their plans, to describe how, in promoting the objectives of this legislation with the block grant authority which they will be given under title II, to maintain programs for the girls and women in this specific area.

I think that this generalized language, while it has no specific earmarks and designation of percentages or set-asides, will at least require the State and new committees that will be organized to decide that the plan is to at least address this issue of how much of their previous programs had been organized around the special needs of girls and women, both in and out of school.

As we know, in title II we have 40 percent of our program for the in-school youth, 40 percent for out-of-school in the at-risk category, and 20 percent for such other programs that might be considered appropriate under this title, I think, in view of the progress that the welfare reform debate has made, and the obvious recognition that the only way single parents in the category of welfare recipients are going to be able to make it, to find a job, is to have adequate educational opportunities and job training. While there is no specific earmark here, there may very well be some specific earmarks and allocations in the bills that deal with welfare.

It seems to me while we are refashioning these over 100 programs in job training, that we must at least cause the people who are fashioning the new guidelines and the new plans to look to this area and to make specific proposals with respect to how their new allocations are going to deal with this, and to maintain the effort and emphasis that has been put in this area in the past. So I would hope that the majority members of the committee on the other side would agree to this amendment and would accept it, and I believe it will go a long way to achieving justice for everyone, because by dealing and working for girls and women, in effect, we are helping the total community and the total society.

Mr. RIGGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we on this side of the aisle are opposed to the amendment offered by the gentlewoman because it would effectively create a mandate on the States, which is quite contrary to the direction that we want to move here in terms of maximizing flexibility for the States. It would create a special population within title II of the bill, the youth consolidation grant, and really amount to nothing more or less than a gender-based maintenance of effort requirement.

This amendment would add a new requirement under the State plan requirements in the bill, the section of the bill that requires the State to report to the Federal Government on how they are going to use Federal taxpayer funds to accomplish their own self-developed and self-defined goals. Under the gentlewoman's amendment, the State would be required to describe how they are maintaining their programs for single parents, displaced homemakers, single pregnant women, and programs that eliminate sex bias. Again, I suggest that it really constitutes a gender-based maintenance of effort requirement imposed on the States.

The language of the gentlewoman's amendment would require that States maintain their current level of funding commitment, and in crafting this bill, we have endeavored to eliminate set-asides for these and other categorical programs, so the gentlewoman's amendment is, again, quite contrary to the fundamental intent and purpose of the bill.

The other point I would like to make is there is nothing in the bill that prevents the States and local communities from designing programs that are specifically targeted to the special populations which would be served or which are addressed by the gentlewoman's amendment. So while there is no mandate of services for the special populations addressed in the gentlewoman's amendment, the States are asked to report on how these special populations are served and how they have met performance goals.

Last, the bill allows, as an additional use of funds, for in-school programs ''supplementary services designed to meet the needs of special populations,'' so again, there is nothing in the bill, the base bill, that prevents the States from designing and offering programs that are specifically targeted to these special populations. However, the bill is drafted in such a way so there is no mandate that these types of programs be offered to these special populations.

Mrs. MINK of Hawaii. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentlewoman from Hawaii.

Mrs. MINK of Hawaii. Mr. Chairman, I want to make it perfectly clear that the amendment, and certainly the intent of the amendment and the language, provides no such earmarks, no such set-asides, no such mandates, as has been described by the gentleman on the floor.

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Rather, what it is saying is for the States, in developing their plan, to look to those programs that can be identified as having been of special help to this category of girls and women in special circumstances and to try to establish exactly what they have done for these individuals and to come up with proposals as to how they might maintain that level of support.

There is no mandate. There is no requirement, no set-aside whatsoever.

I differ with your understanding of the amendment. That is clearly not what I intended.

Mr. RIGGS. Reclaiming my time, I am just looking at the language of the gentlewoman's amendment, ''The States would be required to describe how they will,'' and here is the operative term, ''maintain programs for single parents, displaced homemakers and single pregnant women in programs that promote the elimination of sex bias.'' I do not know how that can be construed as anything other than a mandate on the States, and again I would point out to the gentlewoman, in the committee bill we certainly have not inserted any language that effectively would preclude the States, those States that would elect to have special programs for these populations from offering those programs.

Ms. WOOLSEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the Mink amendment to H.R. 1617.

Mr. Chairman, this Congress will soon complete consideration of a so-called welfare reform measure that does nothing—absolutely nothing—to get welfare recipients into work and off welfare permanently. This tragically will leave the most needy among us—women and children—without the Federal safety net which helped me, and my children, survive 27 years ago.

Now, on top of that, the new majority is attempting to scrap the existing job training programs which get women off of welfare and into jobs that pay a family wage.

The Mink amendment is absolutely essential if we want to successfully reform welfare. The amendment will preserve job training programs which help displaced homemakers and single moms become self-sufficient.

Sex equity programs help needy women escape the trap of pink-collar;

low paying; dead-end jobs. These are smart programs. They end up saving the Government money in the long run by giving women a chance to support themselves and their children.

Let us not kid ourselves. If we do not stand up for sex equity job training programs today, they will be lost forever.

Pass the Mink amendment, and give women and children a real chance to succeed.

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

Mr. Chairman, I rise in support of the Mink amendment to help women and girls attain equal opportunities in education and employment.

Today, most women must work to earn a living. Yet women still earn 25 percent less than men. They are often tracked into traditionally female occupations which pay considerably less than the careers of their male counterparts.

This is why it is essential that we continue to encourage and train women to seek jobs which pay higher wages. This amendment would do just that. It would require States to maintain programs which encourage the elimination of sexual bias in job training and vocational education. In this way, women could substantially increase their incomes by training for nontraditional occupations which pay 20–30 percent more than traditional, predominantly female ones.

This amendment would also require States to continue to provide specialized services to meet the needs of displaced-homemakers and single parents. These programs, supported by both Democrats and Republicans for the past 11 years, have been tremendously successful in decreasing dependency on public assistance, and in increasing the employment and wage rates of participants.

In one State, 71 percent of the people who participated in the displaced homemakers/single parent and sex equity programs doubled their incomes after completing their training programs.

Let us be realistic. States will not continue to serve the needs of these important groups unless they are required to. Without establishing specific set-asides, this amendment would require each State to continue providing equitable job training and vocational education for women, to give them the tools to become economically self sufficient.

For the past 11 years, Congress has supported the effort to eliminate sex bias and stereotyping in employment. Let us continue to support women, as well as single parents and displaced homemakers, to learn new skills and increase their earning potential and productivity. Let us help them learn to permanently provide for themselves and for their families. Support the Mink amendment.

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

I want to kill a little time because I know the gentlewoman from Maryland [Mrs. MORELLA] would be totally distraught if she could not get here and participate in this, so I say to the gentlewoman from Maryland [Mrs. MORELLA], if you are out there, you had better hustle because we may run out of participants in the debate.

But at any rate, I do not want to take a back seat to anyone when it comes to displaced homemakers. I do not want to pat myself on the back either, but I probably have had more to do over the years with keeping this program moving than most anyone. I have brought all of the successful participants in displaced homemaker programs from my district down to testify on numerous occasions.

What I want to point out is that it would appear to me that if we say to the State you must report how they are served and how you have met the performance goals, certainly we are sending a message to States that we expect them to take care of special needs.

What we have tried to get away from was the fact that over the years we get a set-aside for everything under the Sun, and then we diminish the effectiveness of the program because we reduce the amount of money available because we have had so many programs. We were trying to get away from that set-aside issue and at the same time indicate that certainly we have a strong interest that they meet those needs. That is why we say report on how they are served and how they met performance goals.

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

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

Mr. RIGGS. Mr. Chairman, I thank the gentleman for yielding, just so I could make the point, the previous speaker on the other side, the gentlewoman from California, who is a very forceful and dynamic speaker, I think, used the term ''require'' three or four times in her remarks, making it explicitly clear the intent of this amendment is to require States to maintain programs in this particular area, and I share the Chairman's concern that all that ultimately leads to is fragmented job training services at the local level.

Furthermore, I would like to point out that I am not exactly sure why this amendment is being offered under title II, the youth development and career preparation consolidation grant. It seems to be misplaced. If it was to be offered anywhere, it seems it should be offered under title III.

Then when you go through the requirements under section 221, pertaining to the State plan, again, there is nothing in there that is preventing the State from incorporating these special populations into their State plan under the provisions of title II, subtitle B, section 221, State plan.

Mrs. MINK of Hawaii. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentlewoman from Hawaii.

Mrs. MINK of Hawaii. I would like the opportunity to respond to the inquiry. There is nothing in the amendment which requires the States to provide any explicit set-aside funding for these programs, and to the point of why the amendment was placed on page 105, subtitle B, that section has to do with the State plan, and that paragraph begins by saying, ''In addition to the requirements described in title I, a State that desires to receive funds shall submit to the Secretary information,'' and then it lists the kinds of information that the Secretary is seeking to help it determine the nature of the programs that will be in place compared to the past. This is a way to evaluate the functioning of your new program.

It is not a requirement. It is a way for evaluating. It is a way to make assurances that you yourself say you have supported all of these years, and that is to help women in special circumstances.

So this description of a State plan to develop academic and occupational skills of youth, description of how the State will improve comprehensive career guidance, a description of the strategy of how to integrate academic programs with work-based training, a description of how the State will promote active involvement of parents, and then the fifth element, which I have added, which is a description of the States' prior commitment to this special area so that we can see what they have done in the past and measure it with the plan that they are now promulgating for the future and whether this particular category of special needs is going to be met.

I do not regard that as any kind of set-aside requirement, mandate or whatever. It is simply an effort to try to define what information base a State should provide the Secretary.

Mr. GOODLING. Reclaiming my time, would the gentlewoman like to end, after ''bias,'' that nothing in this amendment requires the State to set aside any amount of money for this purpose?

Mrs. MINK of Hawaii. If the gentleman will yield further, I will be happy to consider that if you will agree to my amendment and we could discuss those kinds of limitations when we go to conference, but I think this concept should stand on its face. I hope the Members will support it.

Mr. GOODLING. Then did the gentlewoman indicate she would be happy to consider that?

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

Mr. Chairman, I rise in support of the Mink amendment. In a Congress where we have debated at length methods of moving families off welfare, and methods of helping individuals become self-

sufficient, we must protect vocational educational programs for women and girls.

It is a fact that the earning power of American women directly impacts the well-being of the American family. Unfortunately, women who work full-time still only make 72 percent of their male colleagues' earnings. This is a particularly disturbing fact when viewed in the context of a recent survey that found that a majority of American women earn at least half of their family incomes. If we are going to value families, we have to value those programs that allow parents to care for their families.

The Mink amendment will preserve important programs that help assure equitable education and employment opportunities for women and girls. The Perkins programs for displaced homemakers, single parents, and sex equity have been very successful. For the past 11 years, these programs have helped women move into new jobs that provide higher wages, better benefits, and the possibility of career advancement. Women in nontraditional occupations earn 20–30 percent more than women in traditional occupations.

Let me tell you about a woman from New York City, Kelly Miles. Kelly is a single mother of three, who was on public assistance for many years. Through a nontraditional employment training program for women, Kelly was able to move off of welfare, and is now a second year apprentice electrician. Kelly holds down a job, and goes to classes twice a week at the Electrician's Union so that she can keep advancing. Kelly is a perfect example of what women can achieve through these very important programs.

I urge all of my colleagues to support the Mink amendment. Through these programs we can reach thousands of Kelly Miles—women who want to be self-sufficient and just need a little bit of help. Please help us to protect these programs.

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

Mr. Chairman, let me first commend the members of the Economic and Educational Opportunities Committee for their efforts to consolidate more than 150 training and employment programs into a coherent work force development system. I also want to express my great appreciation to Chairman GOODLING and Chairman MCKEON for agreeing to include language in the bill that will ensure that women have access to nontraditional jobs that pay higher wages and provide better benefits. For displaced homemakers and single parents, nontraditional jobs can be a pathway to economic self-sufficiency and family stability.

It is because of my interest in the self-sufficiency of women that I now rise in support of the Mink amendment which would preserve programs for displaced homemakers, single parents, and pregnant women. It is my understanding that this amendment does not add any cost to the bill. It merely requires the States to describe how they will maintain programs for displaced homemakers and single parents and programs that preserve sex equity.

Programs and services to displaced homemakers and single parents have received high marks. A national assessment of past program participants found that four out of five participants rated the program they attended as excellent or very good. Three out of four customers who participated in other Government programs such as the welfare system, JTPA, or Job Corps, rated the displaced homemaker or single parent programs as much better or better. Nearly all of the participants agreed that they would recommend the program to a friend.

The Mink amendment will assure that these successful programs will continue. The amendment would also provide States with the flexibility they need to meet the needs of the girls and women in their vocational education and job training programs. I urge my colleagues to support this important amendment.

□ 1515

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

Mr. Chairman, I rise today in strong support of the Mink amendment which enables women in crisis, single parents, single pregnant women to get the training, education and skills they need to lead economically self-sufficient lives.

Under the current law States are required to designate 10 percent of their education funds for these programs.

This set-aside was created to redirect women into higher skilled and high-wage employment and to address the unique needs of displaced homemakers and single parents.

This amendment, however, does not retain the specific set-aside, but merely requires that each State include in their State plan a description of how they will maintain these services.

I believe this language is essential to ensure equitable educational and employment opportunities for women and girls.

In New Haven County last year, these programs directly provided educational and employment assistance to nearly 500 women. Preparing them to enter the work force and meet the need of their children.

Let me tell you about just one of the extraordinary women in my district and her success story. Pamela C. of West Haven, CT, is a 49-year-old mother of three. When she came to the Displaced Homemaker Program in New Haven in 1993, Pamela was employed in the service industry and bringing home $16,000 a year for her family.

Pamela needed career counseling and a referral to job training so she could upgrade her job skills to earn more money each week and provide a better life for her family.

Pamela received vocational training as a home health aide. She is now working full time as a home health aide for the Visiting Nurses Association in New Haven County. Not only does this provide her substantially more in earnings, she enjoys her work and feels good about going to work each day.

Women like Pamela want to improve themselves and provide for their family. We must not shut the door of opportunity in their faces. The Mink amendment makes sure that door will remain open.

It is clear that these targeted services are needed and are working for families on the edge in my district.

The Mink amendment states that States should maintain programs for single parents, displaced homemakers, and single pregnant women who are struggling to provide for their families. These women are trying to help themselves and contribute, they should be supported and given assistance when possible.

At a time when Congress is reforming our welfare system, and specifically imposing time limits on welfare services, increasing the employability and earning potential of women should be our primary goal.

Mr. Chairman, the Mink amendment does not ask for a set-aside and its does not add any new costs to the bill.

I wholeheartedly support this amendment and urge my colleagues to vote in favor of it.

Mr. BILIRAKIS. Mr. Chairman, as a longtime supporter of programs designed to assist displaced homemakers, I rise today to urge my colleagues to vote in favor of the Mink amendment. I also want to commend my colleague from Hawaii for offering this important provision.

The Mink amendment will require States to include in their workforce development and literacy plan a description of how the State will maintain job training and education programs for displaced homemakers. It will not require States to earmark funds for these programs, nor will it add any cost to the underlying bill.

Mr. Chairman, displaced homemakers are primarily women who have been full-time homemakers for a number of years, but who have lost their source of economic support due to divorce, separation, abandonment, or the death or disability of a spouse. Many displaced homemakers are living at or near the poverty level, are younger than 35 and have children.

One out of every six American women is a displaced homemaker. In 1990, there were 17.8 million displaced homemakers in the United States. In my own State of Florida, there were over 1.1 million displaced homemakers in 1990—a 55 percent increase since 1980.

For many years, I have sponsored legislation to assist displaced homemakers by providing a tax credit to employers who hire and train them. In the present Congress, I have reintroduced this legislation as H.R. 110.

Specifically, my bill would allow employers a tax credit for hiring displaced homemakers by establishing them as a targeted group under the Targeted Jobs Tax Credit [TJTC] program. The TJTC program, which expired at the end

of 1994, is intended to combat and lessen the problem of structural unemployment among certain hard-to-employ individuals.

My bill would reauthorize the TJTC program and extend it solely to displaced homemakers. Under the proposal, employers could apply for a tax credit if they hire and train these individuals who are having difficulty reentering the job market.

I see this approach as cost-effective. By providing prospective employers with the incentive to hire and train displaced homemakers, we avoid the much more costly alternative of publicly supporting these homemakers and their families.

Mr. Chairman, these are persons who are in financial need and want to work. The Mink amendment is designed to help them stand on their own and reduce dependency on public assistance. I hope my colleagues will join me in supporting this important provision.

AMENDMENT OFFERED BY MR. GOODLING TO THE AMENDMENT OFFERED BY MRS. MINK OF HAWAII

Mr. GOODLING. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODLING to the amendment offered by Mrs. MINK of Hawaii: Beginning on line 1 of the matter proposed to be inserted by the amendment, strike out ''maintain programs for''.

At the end of the matter proposed, insert ''Nothing in this Act shall be construed to mandate an amount be set-aside for these purposes.''

Mr. GOODLING. Mr. Chairman, I yield to the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK of Hawaii. Mr. Chairman, I have reviewed this amendment and it is wholly consistent with my intent, and I accept it.

Mr. GOODLING. Mr. Chairman, I thank the gentlewoman for accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING] to the amendment offered by the gentlewoman from Hawaii [Mrs. MINK].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Hawaii [Mrs. MINK], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to title II?

AMENDMENT OFFERED BY MR. SAWYER

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

The Clerk read as follows:

Amendment offered by Mr. SAWYER: Page 105, line 17, insert '', consistent with State law,'' after ''shall''.

Page 109, line 9, before ''In'' insert ''(A)''.

Page 109, after line 13, insert the following:

(B) If procedures are not in place for the resolution of disputes an eligible institution of such partnership may apply directly to the State for a grant to carry out in-school youth programs described in section 241.

Page 109, beginning on line 16, strike ''by the'' and all that follows through ''process,'' and insert ''according to the requirements described in section 231''.

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

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

There was no objection.

Mr. SAWYER. Mr. Chairman, I appreciate the opportunity first to comment on the importance of what we are trying to accomplish here today, and on the federally funded employment and training services as proposed in this bill. It is important for Governors to have authority over the approval of the overall State plan. However, the education provisions of the plan in my view should be administered by the authorities within the States who have the clear responsibility for administering State and local education programs.

It is for that reason that I offer this amendment which gives the responsibility for the authority to establish procedures for dispute resolution, dispute settlement for local work force development boards, and to put that into a place that is consistent with State constitutional and statutory provisions.

These procedures would be used to settle disagreements over proposals for State subgrants throughout this title by delegating authority to establish dispute settlement procedures solely to the Governor, as the bill would suggest. The provision infringes on State laws and constitutions in about half of the States.

Now, I recognize that it is the intent, the expressed intent of many of the speakers prior to me that this not be the case. But the fact is that currently at the State level the administration of education is either shared by the Governor and State legislators or delegated to the education board or chief State school officer. In most cases it is not the sole responsibility of the Governor. It is our intent not to disrupt that for this procedural purpose.

I understand also that there are some 25 States or so in which the responsibility for the governance and administration of education is delegated by the Governor through his appointment of a policy-sensitive chief State school officer, and it is not my intention to disrupt that relationship either. Rather, it is to recognize the vocational education is important for our Nation's many students who do not go on to college. It is important for the elevation of skills available to employers, and so it is important to make sure that the dollars that are intended to go to these students get there.

Mr. Chairman, my amendment would defer to State law, and to give the authority to establish procedures to settle these disputes to whomever has control of the administration of education under State law.

My hope had also been to allow local authorities to apply for in-State subgrants in the event that a dispute cannot be resolved within and specified number of days. The goal would have been to prevent students from being penalized when a local work force development board cannot reach an agreement. But it is not, Mr. Chairman, my intent to prejudge or to provide any advantage to one side or another. So, I have removed language from the bill, but would rather leave in place a requirement that procedures for resolving the disputes be in place so that an eligible institution can apply directly to the State to carry out a grant in the event that those procedures are not in place.

I understand that, If I could have the attention of the chairman of the committee, that we have agreed fundamentally with this set of principles, and also understand that it is not our intent to leave stalemated disputes unresolved at the local level, but rather, it is not our intent either to give advantage to any of the parties that are a part of those local boards, and so recognize that it is important to work out such a dispute resolution mechanism at the local level between now and conference.

With that, Mr. Chairman, I want to just again say that I urge the support of this amendment in order to ensure that State sovereignty is honored and that our Nation's vocational students have access to these important funds in a timely way.

Mr. GOODLING. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, I would engage in a colloquy with the gentleman from Ohio [Mr. SAWYER], so that I am exactly sure about what we have done.

At the beginning of the gentleman's amendment, it says, ''consistent with State law'' and then the gentleman has ''after 'shall.'\'' Is the gentleman indicating that this only applies to States who have constitutional language that directs that money directly to the State education group?

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

Mr. GOODLING. I yield to the gentleman from Ohio.

Mr. SAWYER. Mr. Chairman, constitutionally specified language as we have discussed in this bill, specifically with regard to States.

Mr. GOODLING. And then the gentleman eliminates line 11 and ''as the case may be''; you have eliminated that language?

Mr. SAWYER. That is correct, Mr. Chairman.

Mr. GOODLING. And then the gentleman has eliminated in line two under (B), ''Or a resolution is not reached within 45 days after a written request for resolution is made by a member of the partnership''?

Mr. SAWYER. Mr. Chairman, as we have discussed, that section is eliminated, recognizing of course that a way to break local deadlocks is important, and that we probably do not have the capacity to write language to accomplish that on the floor, but that we ought to try to achieve that between now and conference.

Mr. GOODLING. Mr. Chairman, with that understanding, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SAWYER].

The amendment was agreed to.

Mr. MCKEON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to engage in a colloquy with the gentlewoman from California [Mrs. SEASTRAND].

Mr. Chairman, I yield to the gentlewoman from California [Mrs. SEASTRAND], who has helped us so much on working on this bill, and I appreciate that gentlewoman's comments.

Mrs. SEASTRAND. Mr. Chairman, I thank the gentleman from California.

Mr. Chairman, it is important to recognize that our students of today are our entrepreneurs of tomorrow, and for many years we have sought to find the best ways to educate our children to be contributors to the society in which they live, and to be prepared to take that bold step from primary and secondary education to the workplace and provider.

Now, as we consider any legislation dealing with the education of our children, or enhancing the skills for those already in the workplace, or assessing the needs of those in need of help and assistance, whether it is an education or workplace preparation, we understand that the principles we must adhere to are those on which we place our successes of today, the free market system individual initiative, entrepreneurship, and personal freedom.

In this Congress, we are moving to reexamine our direction of the last 40 years and determine, when possible, how we can enhance those principles and reduce the amount of Government interference.

I believe the intent of this CAREERS bill was to do just that.

□ 1530

The Comptroller General of the United States identified 163 different Federal programs, administered by 14 different Federal agencies that offered some form of education, job training, or employment assistance to youth and adults with a total cost of $20 billion. The intent of CAREERS as presented to me was to end these duplications and fragmentations that existed within the varied Federal work force preparation and development programs, to eliminate conflicting requirements, and to streamline and consolidate programs while providing maximum authority and responsibility to State and local communities.

Now I also understood that CAREERS would stress private sector partnerships and increase leadership and responsibility of the private sector as it relates to investments in work force training and preparation, that it would establish a system which was market-driven, accountable, providing customer choice, improve education by stressing programs resulting in higher literacy rates, while simultaneously focusing on those trapped in poverty and exhibiting inadequate educational achievement.

Now I am supportive of all these goals, but, as I began to read the specifics, I realized that CAREERS, in transferring focus to the State and local levels, had initiated some actions that would work against our goals of a free market driven economy, individual creativity and initiative, and I saw particular need to correct certain situations, and I am satisfied that many have been made. However one major concern that remains relates to the ideas of national skill standards and requirements of skill certificates. I believe it is important that we emphasize that the responsibility of establishing standards and requirements for an individual to gain achievement within a particular field of work should be determined and maintained by those leaders within the particular field or industry and not the Federal Government.

This is an issue, I believe, that must be resolved, and I do not believe that this bill is the vehicle to do so. We should have an opportunity to debate the issue of national skills standards at another time, and so I think it is a topic of many concerns, I know, to constituents of mine and constituents across these United States.

So, Mr. Chairman, what I am asking and strongly encouraging is further discussion in the conference committee regarding this particular issue.

Mr. MCKEON. Mr. Chairman, because job training and work force preparation programs are about preparing individuals for careers, it is important that employers identify the skills needed in the workplace and the training be tied to such skills in order that employment and training programs are relevant and useful. CAREERS includes the attainment of industry-recognized skill standards in its performance indicators for both adults and youth. All references to the national board are tied to voluntary provisions in CAREERS. CAREERS says that the Governors may take into account industry-recognized skill standards at least as challenging as those endorsed by the national board in identifying education training providers who are eligible to participate in a voucher system.

As my colleague indicates, we do need to continue this discussion. We will do that in conference. We really appreciate all of the gentlewoman's hard work and effort in bringing this to the floor, and I pledge to her that we will continue to work with her as we go to the conference.

Mrs. SEASTRAND. Mr. Chairman, I thank the gentleman from California [Mr. MCKEON].

AMENDMENT OFFERED BY MS. WOOLSEY

Ms. WOOLSEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. WOOLSEY:

Page 121, after line 2, insert the following:

Subtitle E—Authorizations

SEC. 261. AUTHORIZATION OF APPROPRIATIONS.

Notwithstanding section 4(a), there are authorized to be appropriated—

(1) for title II, $3,000,000,000 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;

(2) for title III, $3,225,000,000 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, $597,000,000 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.

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

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. WOOLSEY. Mr. Chairman, it seems like we are on a roll here between the Republicans and the Democrats, so I thought I should take this opportunity for a very simple amendment.

Mr. Chairman, my amendment increases the amount of money that this bill authorizes for education, for job training, and literacy. It increases it to a level where the programs can actually be successful.

As my colleagues know, it is hard to believe that it was just last year when I convinced this body to approve a landmark resolution to increase our investment in education by 1 percent a year until the education budget accounts for 10 percent of our national budget, and that should be by the year 2002.

Well, guess what, folks? Times have changed. This bill does contain some important bipartisan initiatives that deserve to pass. But when it comes to funding, this bill sends us in the wrong direction. Unfortunately, the careers act actually cuts funds for job training programs for youths, for adults, and for adult literacy and education.

Careers consolidates 30 existing education and job training programs for youth into one block grant, and then cuts the funds for these programs by 20 percent. It combines all of the existing Federal employment and job training programs for adults, and reduces these funds by 20 percent. The adult education and literacy funds are cut by 10 percent.

Mr. Chairman, I find it truly ironic that on the same day our colleagues in the other body are voting on a bill to reform welfare, we are debating a bill that cuts funds for programs to get people off of welfare. It also makes it harder to prevent people from going on welfare in the first place, because it cuts programs that it train youth and workers for jobs that pay a liveable wage.

I have heard plenty of talk about ''changing the welfare system as we

know it.'' Well, my amendment gives this house the opportunity to ''put its money where its mouth is.'' My amendment increases funds for education and training support for in-school and out-of-school youth by less than a billion dollars. It also adds close to $1 billion to the adult employment and training grant. The adult literacy and education grant is increased by less than $300 million.

Mr. Chairman, these modest increases will ensure that more people get the skills they need to get off welfare—and, for heavens sake, it will help prevent people from having to go on welfare in the first place.

Mr. Chairman, there has always been a bipartisan commitment to education in this House. Let us continue that commitment to education and training by voting for my amendment to raise the authorization levels in the CAREERS Act.

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

Mr. GOODLING. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from California [Ms. WOOLSEY].

Mr. Chairman, I am much too young to have the noose come down around by neck and string me up on a scaffold someplace, and if I were to accept this amendment, I am sure that would happen because the mandate from the Committee on the Budget is different.

What I will promise the gentlewoman from California [Ms. WOOLSEY] is to certainly do everything I can, serving on that conference, to make sure that we move to the Senate numbers. Their 602(b) of course is not as difficult as ours, and there is no one, probably, who feels more strongly that particularly the youth block certainly is in a great deal of need for an increased appropriation, and I will work in conference to move to their numbers, away from our numbers, but, as I said, I am too young to die.

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

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

Ms. WOOLSEY. Mr. Chairman, I say to the gentleman, ''I don't want you to die at all. I appreciate your consideration of this, and I know you will fight hard for it.''

Mr. Chairman, we were on a roll; I think it ended.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California [Ms. WOOLSEY].

The amendment was rejected.

AMENDMENT OFFERED BY MR. TRAFICANT

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

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT:

Page 121, after line 2, insert the following:

SEC. 254. PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available under this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

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

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

There was no objection.

Mr. TRAFICANT. Mr. Chairman, with all this talk of death and dying, I offer the standard Buy American amendment.

Mr. Chairman, we have Governors making decisions, chief officers of the State school boards making decisions, all kinds of decisions being made talking about welfare, talking about education. Mr. Chairman, if we pass my amendment, I do not know how much it is going to do, but maybe there will be a few more jobs, and people pay a few more taxes, and we will have a few more dollars to keep this train coming down the track.

Mr. Chairman, this language has been added to every appropriation bill and to every authorizing bill in the Congress. It does not reinvent the wheel, but it does, in fact, encourage, to the most practical extent possible, that when people, regardless of who has jurisdictional authority to do so, expend the hard-earned Federal taxpayer dollars, they try, wherever possible, to buy, within the limits of the law, American-made products, made by American hands, who get American paychecks, pay American taxes. This is no walk in the pork around here.

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

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

Mr. GOODLING. Mr. Chairman, we will be very happy to accept the amendment on this side.

Mr. Chairman, I would feel much better if at the end of paragraph 1 where the gentleman has ''American made'' he would include ''and manufactured and purchased in Ohio and Pennsylvania.''

Mr. TRAFICANT. Mr. Chairman, yes, I would accept the gentleman's tremendous amendment. His intellect amazes me.

Mr. GOODLING. Mr. Chairman, we accept the amendment.

Mr. TRAFICANT. I appreciate that and just take a couple minutes here.

Mr. Chairman, I want to commend the gentleman from Pennsylvania [Mr. GOODLING], who has handled this bill. There was a lot of contentious items coming in, and there has been an awful lot of headway that has been made, and I think the gentleman deserves a lot of credit for that. I really mean that.

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

Mr. TRAFICANT. I yield to the gentleman from Missouri, the distinguished ranking member, who as well in the past has been a supporter of Buy American and Made in America. Hopefully he will maintain his record.

Mr. CLAY. Mr. Chairman, I have agreed with the gentleman in all of the other instances where he introduced a Buy American amendment, and I do not see any reason why I would disagree with him now. I think he is the champion of all Americans when it comes to Buy American.

Mr. Chairman, I was not listening to at what point in the bill the gentleman offered his amendment. I was trying to get together the next amendment. But I am sure, if it is consistent with what he has been doing in the past, that I will be supportive.

Mr. TRAFICANT. Mr. Chairman, I appreciate that, and with that I say it would apply to the entire act, and with that I appreciate the support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

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 postsecondary 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, postsecondary 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.

The CHAIRMAN. Are there amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

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.

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—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).

The CHAIRMAN. Are there amendments to title V?

Mr. CLAY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there is an old saying that says, ''If it isn't broke, don't fix it.'' Voc rehab certainly is not broken. Voc rehab is one of the most important mechanisms we have of assisting individuals with disabilities to obtain productive employment, to live independently, and to thrive in mainstream society. Whatever we do in this area, we should do carefully. Yet what we have before us today disrupts the current voc rehab system by limiting State flexibility, diluting accountability, and creating uneven access to services.

Mr. Chairman, I introduced this amendment because the gentleman from Texas, Mr. GENE GREEN, was late in arriving. The gentleman from Texas, Mr. GENE GREEN, will explain what the amendment does.

AMENDMENT OFFERED BY MR. GENE GREEN OF TEXAS

Mr. GENE GREEN of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GENE GREEN of Texas: Strike title V of the bill and insert the following:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. EFFECT ON REHABILITATION ACT OF 1973.

Notwithstanding any other provision of this Act, this Act does not have any legal effect on any program under the Rehabilitation Act of 1973.

□ 1545

Mr. GENE GREEN of Texas. Mr. Chairman, I appreciate this opportunity. This amendment is offered not only by myself but also the gentleman from Arkansas [Mr. DICKEY], my good friend and colleague.

This amendment is an amendment we talked about earlier that would strike title V of the CAREERS bill that I talked about on earlier amendments. Even in my opening comments I have expressed grave concerns about the Rehabilitation Act of 1973 that is included in this bill.

The Committee on Economic and Educational Opportunities held no hearings specifically on title V. Now, on Thursday, the majority staff released changes to the marked-up bill, and today our chairman includes even more changes in the manager's amendment. We need to spend a great deal more time on dealing with vocational rehabilitation instead of over a weekend. This bill was out of committee for 2 months and we have seen a number of changes just in the last week.

Mr. Chairman, we have tried to work on a compromise amendment, and my colleague from South Carolina and I have talked about and I think we share a lot of the same concerns, but, again, on short notice and without having time to sit down like we would like to, that is why I think we should set aside vocational rehabilitation for more judicious concern by this whole Congress instead of on a short-term basis and include it in this bill.

The Green-Dickey amendment strikes title V from the CAREERS bill and assures the current vocational rehabilitation program remains intact. The gentleman from Arkansas [Mr. DICKEY] and I bring this to the floor because the vocational rehabilitation program is too important to continue to make arbitrary changes without any real thought about those most affected.

For more than 75 years Federal aid for vocational rehabilitation services has been provided in the form of a block grant to the States. National performance and quality standards have been established and States have been given broad discretion to determine how best to meet them. This is the original block grant. It just did not happen this January here in Congress.

Mr. Chairman, expanding consumer choice and integrating vocational rehabilitation services in a comprehensive system are worthwhile goals which I fully support. In its current form, title V would not advance these objectives. In fact, it could erode the quality and reduce the availability of rehabilitation services for persons with disabilities.

People with disabilities face extreme challenges in the pursuit of meaningful employment, challenges far beyond those faced by the average person who accesses Federal job training programs. We want to ensure that any eligible individual is guaranteed access to the same quality and range of rehabilitation services no matter where they reside in a State or in which State they reside.

The many people served by the current State vocational rehabilitation programs are coping with new disabilities, new self-images, new feelings about their competencies, new technologies and new ways to perform old tasks. Rehabilitation professionals are specifically trained to assist people in disabilities in these areas. Employees of more general training services do not have that ability.

I like the CAREERS bill when it deals with average employees who are laid off. We need to merge the programs. But when we deal with vocational rehabilitation, we should not lump people who are the recipients or the beneficiaries of vocational rehabilitation in with the general population.

Mr. Chairman, there is a great deal of concern, and we have letters from among the supporting organizations for the removal of vocational rehabilitation. The concern from these client agencies, not from the State bureaucrats as we heard, but from the clients, they are worried they will get lost in the shuffle when their provisions are included in this bill.

As I said earlier, I voted for the bill as it came out of committee. I tried to amend it in committee and we lost, with the understanding that we would try to work something out. We have not been able to work it out to the support of the client organizations that raise this concern. I can mention some of these groups. We have letters, but we also have, and a lot of Members will

see this as they come in the door to vote in a few minutes, a yellow sheet of paper that talks about the number of groups from the client groups who are supporting this amendment to strike title V.

Another concern we have had is that we have heard the concern for the last 2 months and during our committee markup, in process, the Governors' Association wanting to be able to have flexibility. The concern I have about the original bill, the substitute I saw last week, and even the manager's amendment today is that it gives a great deal of flexibility to Governors and maybe not dealing with their legislatures in addressing it.

I have a letter from the National Governors' Association and it says, and I will paraphrase, we believe that the bill could be improved by adoption of two amendments that would be offered on the floor today and ask that Members support these changes; the amendment by Representative GREEN of Texas to maintain existing law with respect to vocational rehabilitation programs.

If we want to address the Governors' concern, the National Governors' Association supports this amendment.

Mr. GUNDERSON. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

I wanted to get into a dialogue with the gentleman about the National Governors' Association letter, because, frankly, it took some of us on this side of the aisle by surprise, as the gentleman can imagine. We did a little investigation.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, I am glad for little things.

Mr. GUNDERSON. Mr. Chairman, reclaiming my time, the little things we found out are, first and foremost, the gentleman will notice that letter is not signed by any Governor. The head of the National Governors' Association happens to be my Governor in Wisconsin. He did not sign that letter. The best we can detect is this is a letter agreed on by staff of various Governors, not the Governors themselves.

Mr. GENE GREEN of Texas. Mr. Chairman, if the gentleman will continue to yield, I do not know the background to it, but I know it is on National Governors' Association stationery and your Governor is at the top of this. In fact, we heard your Governor a great many times in our committee this year.

Again, this letter is dated today, September 19, and it is the best available information I have and the most reliable on the National Governors' Association. If they have problems with their executive director, they may want to talk with him.

Mr. GUNDERSON. Mr. Chairman, reclaiming my time once again, as of 4:50 p.m., I think that is the most reliable information the gentleman has. If we can continue this debate for a few minutes, we are going to have a letter that will be signed by my Governor that will oppose the Green amendment and that will indicate that we should keep the bill as it is, because in order to make the kind of comprehensive job training and integration that CAREERS is all about, vocational rehabilitation has to be a part of that bigger pie.

What we are going to try to do, as we have done already in CAREERS, is, obviously, consolidate those programs. The Governors will have a role, and as the gentleman knows, many of the main vocational rehabilitation agencies in this country and associations support keeping title V in the bill. They believe this is the way to go.

Mr. GENE GREEN of Texas. If the gentleman will continue to yield for 30 seconds for my response.

Mr. GUNDERSON. Mr. Chairman, if the gentleman does not object when I ask for more time, he may go ahead.

Mr. GENE GREEN of Texas. Mr. Chairman, I will not object to the gentleman's having more time as long as I can respond.

I understand we may have a duel of letters here, one dated today, this afternoon, and maybe one later, but the concern I have is to whether the Governors are for or against it. I have just been told that the Governor of Texas, Governor Bush, is supporting the amendment. I know he does not represent the National Governors' Association but he is really concerned about including vocational rehabilitation in this bill. That is why I want vocational rehabilitation to be part of the one-stop center.

Mr. GUNDERSON. Mr. Chairman, reclaiming my time, the problem with my good friend from Texas is that every time I yield to him, he does not yield back. This is not the Senate, this is the House, where we have time limits.

I want to point out that I have been told that the Governor of Texas is not signing a letter pro or con, that he simply not taking a position on Title V. So, again, we are getting very different information regarding what the governor is saying, which suggests to me, with all due respect to the governors, that we should just ignore the Governors and debate this on the merits of what we think fits into this plan. When we do that, I think there is a lot of sense in the comprehensive integration of the CAREERS bill as we have brought it forth out of the committee.

The fact is, we want to inject some local control, some flexibility, and some competition. We do not cut any of the dollars. As the gentleman knows, we have tried to respect the uniqueness of vocational rehabilitation, which is why that is a separate funding stream that is not combined with the adult or the youth training or the adult education, but that does not mean there is not clearly a need for some kinds of reform in competition within that particular sector.

We think we have struck a fine balance in that. Certainly we have established a position that ought to take us into conference with the Senate, and, therefore, I would encourage my colleagues to stick with the bill as we have brought it out. It is a delicate balance. It is a compromise. And I would encourage us to reject the amendment.

Mr. DICKEY. Mr. Chairman, I move to strike the requisite number of words and I rise in support of this amendment.

I want to give a little history of what is going on in Arkansas as far as this particular bill is concerned. About 6 or 7 months ago I started hearing about this from the people who are disabled and the people who are involved in the rehabilitation services in Pine Bluff, particularly Bobby Simpson, who is a direct of the Arkansas Rehabilitation Services.

I was called upon, and had been called upon to go to meeting after meeting after meeting, Mr. Chairman, where people were coming and saying this is what is unusual, this is what is unique about the rehabilitation services; that there is a whole infrastructure set up in our rural area of Arkansas that takes into consideration both the needs of industries and businesses and the needs of the disabled people who would come under this service.

I had bought into this some time ago. Six months ago I bought into this, and I said, no, I think the gentleman is right. Part of that comes from the fact that I myself have been disabled; that I have spent time recovering from polio, been unable to walk, and knowing what it is like to have an inability to do what I was setting out to do. And how that might have related to my vocation or my ability to function is something that brings me to this issue quite honestly.

Mr. Chairman, I am aware of the fact that there is in this bill, the main bill not the amendment, a provision for this type of rehabilitation service to be given. My concern comes, though, not from the fact that the service would be given but by whom.

If we give a generic service in this respect, it is going to leave out and put in last place those people who are disabled, and I think we have a special need for it. We can always come back later and say that we can put this back in. If, in fact, this amendment is allowed, and we keep this separate, we can come back later and we can tailor make a little bit more of a type of a service that would combine the needs of industry and the needs of the disabled person.

Mr. Chairman, I am in favor of this. I would like to have this amendment pass.

Mr. PETE GEREN of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I stand in strong support of the Green amendment. H.R. 1617

is a good bill in almost all respects. It is a major step forward in our effort to try to make government more responsive to the needs of people, our efforts to streamline it, to save money and make it work for people who want to get to work, who need the skills that this bill will help them secure. There is a piece of the bill that should not be in it and that is why I rise in support of the Green amendment.

Mr. Chairman, the Green amendment would make clear that this bill does not have any effect on any program that is in place under the Rehabilitation Act of 1973. I know I speak for many people in the Congress when I say that we applaud the work of the chairman of the committee, applaud the work of the committee staff that worked so hard to bring this bill about, and it is not an effort to take away from the overall direction of the bill to lift this one piece out of it.

I have worked with people in the disability community in my area and they are very concerned that this provision is going to be counterproductive.

□ 1600

The public vocational rehabilitation program has put already over 13 million people back to work. It is the most successful job training program in the world for disabled. It more than pays for itself, because it takes people who want to work and help themselves and puts them back in the work force. It is a highly specialized process and does not fit in the CAREERS bill. It offers a broad range of services individually tailored to meet the needs of the disabled, and it is a great success story in and of itself. Where there is tremendous need for reform in so many other areas of the vocational training, this is an area that is a success. I do not think we should take a chance on compromising a program that already works in an effort to try to achieve economies of scale that I do not think would accrue to the benefit of this program.

So I urge my colleagues to support the Green amendment. I commend my colleague from Texas for his hard work in this area, and once again commend the sponsors of this bill for putting it together. This is a piece of it that needs to be deleted.

Mr. Chairman, I urge Members to support the Green amendment, and make sure this bill does not compromise great programs that are helping people that need the help, who want a helping hand and not a handout. I urge my colleagues to support the Green amendment.

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

Mr. Chairman, I rise in the strongest possible opposition I can to this amendment, because it is a direct slap in the face of the disability community, and particularly a slap in the face to those with severe disabilities.

Now, let us talk about quality. That is what was mentioned several times. That is what we heard so much about, quality. Now, look at the record. You see, if you are going to be brainwashed by the State rehab people, then, of course, quality is not going to matter, because quality is not what is there at the present time.

A little over 1 million persons are served under the current Federal-State vocational rehabilitation program. How many cases are closed in a year's time? At the most, 200,000. But closed, closed for what?

What is the rehabilitation standard? Well, let me tell you what VR's rehabilitative standard means: A 60-day job placement. Big deal. Big deal. A 60-day job placement.

Under this low standard, even with a standard that low, they could not come up with better than 71 percent. So, again, if you are looking at quality, then you are not looking at existing programs, you are being brainwashed by State vocational rehabilitation people who do not want any change.

They are not interested in quality. They are interested in keeping their control. They are interested in keeping their control over the disabled community. The largest group, who is headquartered in Dallas, TX, has indicated to us, ''Do not even think about decoupling this. Do not allow them to do that to us, because then we continue to be stepsisters, as we have been in the past.''

Under the tougher Social Security Administration standards, and that is a placement after 9 months for severely disabled persons on SSI and SSDI, only 9 percent of such case closures were rehabilitated. The 1993 GAO report on vocational rehabilitation programs concluded that the gains in economic status made by clients were temporary. Within the study group, the earnings of those classified as rehabilitated under the 60-day standard, I keep repeating, had, after 2 years, returned to near or below preprogram levels.

Mr. Chairman, we are trying to help those most disabled, those most disabled in our community. They are telling us, ''Do not let us suffer as you have in the past under a state-run monopoly.'' They are saying to us, ''Please, give us an opportunity to have some competition, so that we can get improved services.''

Someone mentioned they might cream them. That is exactly what they do at the State level at the present time. That is why the disability community is so upset that someone is going to take them out of the CAREERS bill. They want to be there, because they know that the services they have received in the past have been anything but exemplary.

The Projects With Industries business-community partnership placed 10,901 persons in 1994,[8] 1 percent of whom were severely disabled. That is what that competition did. And then they are worried that somehow or another there will be fly-by-night operations in our system. Read the legislation. They cannot be in there. They could not get any reimbursement if they were in the system. We have quality control set up in this bill that prevents any kind of reimbursement going to fly-by-night operations.

But this project, a similar project in the private sector, had 81 percent of those who were severely disabled, placed in meaningful jobs.

The status quo advocates cannot argue that their success is demonstrated or that their expertise is unique. However, in this bill we allow them to continue. In this bill we say State government agents can still provide the services. That is in the bill. We had some legislation that we were working out that even improved that, which hopefully will be done between now and conference.

But, again, I plead with my colleagues: If you really have any concern about the severely disabled in this country, then, please, do not allow the status quo to continue. We have to improve their lot.

Mr. Chairman, I might add also that I am not sure where the Governors' letter came from, but I believe the majority of Governors are on my side of the aisle, not the other side of the aisle, and I have their letter here. They are saying just the opposite.

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

Mr. Chairman, I rise in support of this legislation, which is good legislation, but also in support of this amendment, which will make it a much better piece of legislation.

I have been amused at the suggestion by some of our colleagues that we should just ignore what the Governors say. You see, we have been through this before in Texas. The gentleman from Texas [Mr. GENE GREEN] when the issue of the formula for welfare came up during the welfare reform effort, pointed out that Texas was about to get hit and get hit hard by virtue of that formula.

Our Governor sat on his hands and did not want to get involved. But thanks to the efforts of Congressman GREEN, he has finally gotten motivated and gotten involved and recognized what a devastating effect that would have on the State of Texas, and we are beginning to get some change, belatedly, but finally. I think the same thing will be true with reference to the gentleman's efforts on this question of vocational rehabilitation.

The approach being taken here with this piece of legislation here today is really only taking a Texas idea and bringing it to the national level, because we have already done essentially the same thing in the last session of the Texas legislature that is being done in this bill. That is to merge our job training programs and to recognize we can do more for those who need work force development, job training, if we merge programs together, eliminate some of the inefficiencies. But when we

did that in the State of Texas, we specifically excepted vocational rehabilitation, because it is a unique area. When you are dealing with persons with disabilities, they have some special needs in order to be able to achieve to the full extent of their ability.

I think that the gentleman, through his amendment, recognizes that, and as that message gets out I am sure somewhere in the legislative process the Governors of Texas and other States are going to join in recognizing in the State of Texas we have one of the most outstanding rehabilitation programs that the gentleman from Texas [Mr. GENE GREEN] and I have both had occasion to work with when we were in the State legislature, and it is not only the people that work as the rehabilitation experts, but the individuals with disabilities, who I know in my case, came out, a number of them, this past weekend, when I held office hours in a grocery store, to tell me of their very great concern about this piece of legislation, and that when you merge what is in essence already a block grant program and you merge that into a bigger block grant program, it may not be a merger. It may be a submerging of the particular needs of individuals with disabilities.

I know the gentleman has some more thoughts on this. I do, too. I would be glad to yield to you if you want to respond to some of these concerns, and then I want to add a further comment about the impact on Texas of making this kind of mistake.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. DOGGETT. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, another colleague of ours wants to join me. I would like to answer our chairman's concern about the current system. He thinks that the sponsors claim the current system is so bad anything is preferable, not this bill.

With that, I know our colleague from Massachusetts has to go to another markup.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DOGGETT. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentleman from Texas yielding. I wanted to just come to the House floor to speak in strong support of the Green amendment. This vocational rehab has done good work for tens and tens of thousands of some of the disabled people in this country that just simply need a little job training to be able to become productive members of society.

In my own neighborhood in Brighton, MA, there is a voc-rehab center that has trained literally thousands and thousands of people to go into mail rooms, to work at some of the biggest companies and the smallest companies in the city of Boston and the surrounding areas. Over 4,400 people in the State of Massachusetts were helped just last year through this program.

Why in God's name do we have to reform every program in the Government, regardless of whether or not it works or does not? This is fixing a problem that does not exist. You ask every one of the major voc-rehab groups in this country whether or not they want this bill. Their answer is a singular no.

This is a program that works to provide people an opportunity to grow to their full human potential. They have been denied, they have been injured, they have been born with brain defects, with physical deformities. They are struggling to become productive members of society.

The Government has a sort of Lincolnesque Republican idea that we want everyone to be treated equitably. That basic comprehension of how we ought to treat individuals in this country is what are contained in the values of the voc-rehab bill. So why do we have to come just in the name of reform? Are we so desperate to convince the people we are reforming everything in the Government that we will take a problem that does not exist and go and reform that as well?

Mr. Chairman, let us keep the program. Let us support the Green amendment.

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

Mr. Chairman, let us be clear about the nature of this debate on the amendment of the gentleman from Texas. What we are really talking about here is whether or not we are going to maintain the status quo. We have heard arguments over the last couple of minutes that the present vocational rehabilitation program is working well, so therefore the argument goes, ''It ain't broke and doesn't need fixing.''

Well, as the chairman of the committee pointed out, if you look at unemployment for disabled persons, the statistics are staggering. Out of 12.6 million severely disabled persons in America today, only 2.9 million are employed, which equals a placement rate of 23 percent.

Furthermore, employment rates for persons with moderate disabilities are comparable with the nondisabled. But employment rates for the severely disabled are drastically lower. So the only conclusion you can make is that the advocates of the status quo, their argument is that vocational rehabilitation should not have a more positive impact on employment.

We also know that the present system is highly procedural and bureaucratic. Out of $2.5 billion, that is the combined Federal and State funding for vocational rehabilitation funding today, 10 percent is spent on administration, 34.6 percent on counseling and placement, and 54.8 percent on purchased services. This is a very process oriented program, and it is one that, by being so monopolistic, has very little to do with performance and results.

In fact, compare it with one program in the private sector, a program called Projects with Industries, a business community partnership which placed 10,901 persons in 1994, 81 percent of whom were disabled, 25 percent of those served by this program were severely disabled and their cost per placement was far less than the current Federal-State program.

So again, I think we have to be clear here. The current vocational rehabilitation system, contrary to the argument we hear from the advocates for the status quo, does not work. The current Federal-State rehabilitation system produces successes that are below comparable private programs and that are proven to not have much long-term impact. Another way to put it is we are not getting very much return on the taxpayer dollar.

The current vocational rehabilitation system segregates persons with disabilities. And in the CAREERS bill, we are integrating vocational rehabilitation with all other job training programs. Therefore, people with disabilities will no longer be ignored by general job training programs, because they have their own system and are forced into that separate system. CAREERS would integrate the different job training programs on a much better basis and it would effectively, and here is where the rub comes in, eliminate the vocational rehabilitation system monopoly.

☐ 1615

State vocational rehabilitation systems have no competition, and, without competition, services are not consumer responsive.

So if my colleagues favor the status quo, if they want to see this bureaucracy and process-focused, process-led system continue, which we believe on this side of the aisle leads to wasted funds and poor services, then by all means vote for the gentleman's amendment. But if they are against a monopoly, if they want to see more accountability in the delivery of services, job training services for the disabled, then support the original language in the bill and defeat the gentleman's amendment.

Ms. JACKSON-LEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, I was interested in hearing the gentleman from California [Mr. RIGGS]. I know we share the concern and support for the overall bill but not for this amendment.

You cannot put a rate-of-return requirement or a cost-benefit analysis requirement on vocational rehab services. It costs more to train and educate someone who needs those services than someone who is laid off because of a job.

Let us talk about the program. Let me respond a little bit to our chairman when he talked about the failure of the

current program. We had 1992 amendments that increased the number of persons with disabilities eligible for the services. The agency case loads have risen significantly. Most of those new participants are persons with severe disabilities.

In 1993, the year of the GAO study, when these changes were being phased in, the number and percentage of successful cases closed dipped. The Republicans are now trying to use this statistic to junk the whole system and to talk about how bad it is. It has been serving people for 70 years, and 13 million people have found jobs under the current vocational rehab system. Let us not throw it out and just call for reform.

Let me talk about the GAO study that justifies their attacks. What they do not tell us is that the GAO overall assessment of the rehab program was positive. For every $1 invested in the current programs, it generates $18 in the form of reduced disabilities payments and taxes paid by these participants who obtain employment; whether it is 60 days and they have to come back to be retrained or a year, we are getting an $18 to $1 return. The earnings of persons with disabilities who participate in the program are four times greater than those who did not.

I would like to see it eight times greater, but let us not trash the current system just because they do not like something. We cannot put cost-benefit analysis when we are dealing with disabled people, because we need to make sure we provide that service whether it is cost-effective or not.

Ms. JACKSON-LEE. Mr. Chairman, I want to commend the gentleman from Texas for his amendment. Mr. Chairman, I have heard a very hollow sound. The reason is because we pretend to argue on behalf of those who are physically challenged. I think, if we looked at the real facts, we would find out that who you go to is the consumer.

I have a neighbor who works in rehabilitation. It is my belief and it is her recommendation that the specialized trainer, the specialized professional is the important key to helping the physically and mentally challenged because part of the fullness of what America offers is equality for all. Title V will simply decimate the rehabilitation delivery system. It particularly hurts those who are blind and need special attention in their job training.

I am listening to those on the other side of the aisle argue that they know best, but I can read off a variety of different organizations who support the removal of vocational rehabilitation from H.R. 1617: The Alexander Graham Bell Association of the Deaf, the American Council of the Blind, the American Society for Deaf Children, the Association of Community Based Rehabilitation Personnel. And the list goes on and on and on.

The real key is what has been successful and it has been successful when we focused and made sure that the training for those who are physically and mentally challenged is particularized.

Block grants equal scatter grants. It does not focus. It does not help. It does not enhance. What we have in a vocational training program is the need for a highly specialized process. We need a wealth of expertise. Why would we look at the success of 13 million people going to work and now we are trying to change it?

I am not sure where our colleagues on the other side of the aisle are trying to go. But I can assure them that those who are physically and mentally challenged are on the side of the gentleman from Texas, Mr. GENE GREEN, and those of us who believe that the special attention that we pay to those who are physically and mentally challenged has resulted in a bounty of successful workers, of people taking their rightful place in the American society and the recognition that all are created equal.

I would ask that the House join me and join the gentleman from Texas, Mr. GENE GREEN, in eliminating this provision and accepting the fact that we have a responsibility to ensure an even playing field and to make sure now that 13 million people are at work, that more people who are physically and mentally challenged and the children who need to be trained can also come up and be trained under the right rehabilitation system.

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

Mr. Chairman, this debate has baffled me somewhat. It is really at the core of much of what we are trying to do. One of the core assumptions here is that somehow the Governors of the United States are not going to be as sensitive to those who are physically and mentally challenged and need vocational rehabilitation as much as Washington would be, that Washington is the fount for all wisdom, that the laws that we devise here are somehow better able to take care for the people in their States than the Governors themselves who presumably are more responsible and more responsive to the people there on a regular basis than those State legislatures are.

In fact, this bill kept four different block grant categories, one of which was vocational rehabilitation, because we were concerned that there might be some creaming. In that we protected the funding stream.

If we in fact remove title V, it is not clear what we go to conference to the Senate with, since they have more for a general block grant and in fact passing this amendment could hurt both substantively in the sense of flexibility and in this bill in conference committee.

Furthermore, there is a lot of talk about how all the different groups feel on this. In fact, United Cerebral Palsy, the Arc, the Association for Retarded Citizens, Goodwill Industries, oppose taking this section out of the bill because they believe that it will provide more services to the people that they are providing services to and who they serve and who they advocate for. In fact most of the groups who favor this amendment are more people who are participating and getting funds from the Government in this process as opposed to those necessarily working on an individual basis without having a stake in how the programs are administered.

Many of the concerns that were raised earlier as far as State flexibility have been addressed. In fact, if Governors like the existing program really well and they are working in Indiana, for example, I do not think that Governor Bayh thinks a Republican Congress is going to do a better job for taking care of people in Indiana than he does. He is not from my party, but I am willing to give him more flexibility in the State.

I have met individuals in my office who have been served well in a number of programs, visited programs for those who need special vocational rehabilitation in Whitley County and in Huntington County. Those programs are working well.

At the State level they will adapt that and understand that and include those programs that are working well. But to say that we in Washington are the fount for all wisdom, that we cannot block grant and let the people at the local level make these decisions is challenging the core premise for this legislation. It has nothing to do with whether or not we want to serve those who need our help, because in fact we have a category that makes sure the funding stream is there. It is how it is implemented.

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

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

Mr. RIGGS. Mr. Chairman, I just wanted to add one other comment. That is, I served for almost 5 years on the Governor's Committee for Employment for Disabled Persons in California. I really based my experience on the large disability organizations which the gentleman mentioned, which include the United Cerebral Palsy, the Association for Retarded Citizens and Goodwill Industries in opposing removing vocational rehabilitation from Careers. These are the largest advocacy organizations for disabled Americans.

I wanted to just read quickly one paragraph from Joan Thompson, the chairperson for the Governmental Affairs Committee for the Arc. She writes to Chairman GOODLING: Our constituency, as you know, is among the most unemployed and underemployed segments of our society. Many citizens with mental retardation and other disabilities have also faced a lifetime of segregation and a woeful lack of opportunity to become productive members of our society. In this time of significantly constrained Federal spending, it is vital that every program with the

potential to help people get and keep jobs be fully utilized. As employers prepare to assume new roles in work force development, it is imperative that they recognize that people with disabilities are a largely untapped source of new and willing workers. To delink—as the gentleman would do in his amendment—the vocational rehabilitation system from the new system will only serve to isolate the vocational rehabilitation system and people with mental retardation from the employers. No one would gain, except those professionals in the vocational rehabilitation system whose sole agenda is to protect their turf. We do not think that is what reform is all about.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SOUDER. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, does the gentleman understand that the original block grant proposal—we have had block grants for 75 years from the Federal Government to the States. Each State already has that ability. It does not take this bill or this amendment to do that.

Mr. SOUDER. Mr. Chairman, but this is less prescriptive and gives flexibility to the States.

Mr. GENE GREEN of Texas. The gentleman understands States already have flexibility, though.

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

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

Mr. OWENS. Mr. Chairman, I rise in strong support of the Green amendment.

Mr. Chairman, I rise in support of the Green amendment for the sake of all Americans with disabilities and for every American that might tomorrow find themselves among those with disabilities.

I think we must exercise the greatest possible care in how we reform the vocational rehabilitation system. Let us not do it haphazardly as this bill is doing it. Let us not do it with confusing last-minute amendments. Let us go back to committee and do it right. That is what the Green amendment is telling us to do.

I support integrating vocational rehabilitation into a one-stop system. I support enhancing consumer choice, and I support adopting a more market oriented approach. But I cannot support the haphazardly constructed mess that we are faced with here in title V.

It is important for Members to understand the shoddiness of the process through which these provisions were developed, very shoddy process.

The bill makes the most far-reaching changes in vocational rehabilitation in 70 years. Yet our committee did not hold a single hearing on these provisions, not one hearing. No public opportunities were provided for people with disabilities who rely on vocational rehabilitation to make comments and suggestions. Everything was drafted behind closed doors without meaningful input from the public.

Unlike other parts of this bill, no efforts have been made to involve the minority in crafting title V. For as long as anyone can remember, disability policy in this House has been forged on a bipartisan basis. Republicans and Democrats worked in harmony together to set policy. That proud tradition ends with this bill.

Everybody recalls the Americans with Disabilities Act. I think we all recall the leadership of Justin Dart in that, in the passage of that act. Justin Dart is a Republican disability activist, and Justin Dart was the Bush administration commissioner for the Rehabilitation Services Administration.

In a letter dated August 30, 1995, Justin Dart says the following: I oppose the Careers Act, H.R. 1617, as it applies to vocational rehabilitation. The present form of H.R. 1617 would be harmful to people with disabilities and the Nation.

I agree wholeheartedly with Justin Dart. To make matters worse, the sponsors of this bill keep making dramatic changes in title V at the last minute. Last Friday one set of changes was made. Late last night another set were made. This morning still another set of changes. Instead of improving the bill, each one of these changes had made title V progressively stranger and more convoluted.

□ 1630

What these new provisions will do is impossible to know for sure. Preschoolers take greater care in making a fingerpainting than the sponsors of this bill have in putting together title V. They have great contempt for the community of people with disabilities in this process.

The sponsors say that anything is better than the current system. That is garbage. Some 9 million Americans with disabilities now have jobs, thanks to this program; 1.2 million are currently receiving services. The program's performance has been improving impressively. The job placement rolls increased 6.4 percent last year over the previous year. This year they are estimated to go up another 6 percent.

The system is also doing more with less. The number of persons served has skyrocketed since 1992, while the funds have remained even. Most of these new persons being served have the most severe disabilities, also.

I recently received a letter from a woman in Parkersburg, WV who did not think anything is better than the current system. She was first disabled in a car accident and then abandoned by her husband after he got his hands on her insurance check. She could not afford a private hospital. She called vocational rehabilitation. She writes, ''I was treated wonderful. They taught me everything, like how to get in and out of bed, the shower, and how to drive with hand controls, all of this all by myself. They gave me back my independence. I am living at home, caring for the children, doing almost all I did before the accident. I thank God voc rehab exists, and I pray it will be there for others. Until you have been in my shoes, you cannot understand the destruction that passing H.R. 1617 would cause.''

None of the people with disabilities have had a chance to say to the committee, to the majority Republicans in this House, what great destruction H.R. 1617 would cause. I hope that perhaps the committee managers would reconsider at this point in light of the bipartisan opposition to the bill, and recall it, and let us start all over on title V.

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

Mr. Chairman, I appreciate the opportunity of rising to speak in strong opposition to the Green amendment. I think one thing needs to be clarified. There was a comment that we never had hearings on this. We did have hearings. We did hear from people. We specifically wanted to have input from the people that would be involved, and we have letters here from many different groups that support the bill, that do not want to be excluded from the bill. I think it is important that we hear what they have to say.

The United Cerebral Palsy Association wrote this letter to Chairman GOODLING. They indicate their strong support of the bill and their opposition to an amendment that would exclude this block from the bill. It says: ''UCPA,'' the United Cerebral Palsy Association, ''is a network of 155 affiliate organizations across America that are committed to advancing the independence, productivity, and full citizenship of people with disabilities. UCPA has worked diligently with House staff to ensure that the CAREERS Act will assist in furthering employment for people with disabilities and not create yet more barriers in their path.''

We have also heard from Goodwill Industries, who have done great work. Last year they helped 23,000 people who were in some way disabled in employment. They also strongly support the bill and oppose this amendment.

We have several letters that are similar that support the bill. They have been working with us. We have been working with them, right up until the current moment, to make sure that we are able to provide better service and reach out to all of these people.

That is the whole purpose of the bill, is to reach down into the local community, to reach more people, to have better service.

There have been other things said about Governors who support or do not support it. Let me read this letter that was just received from the Republican Governors' Association:

''Dear Bill,'' speaking of the chairman of the committee, the gentleman

from Pennsylvania, Mr. GOODLING, ''as members of the Republican Governors' Association Task Force on Work Force Development, we write to clarify our position on the Vocational Rehabilitation Title,'' which is title V, ''of the CAREERS Act.

''While we have previously expressed numerous concerns related to design and delivery of services through title V of the act, we firmly believe this title should be included in the CAREERS Act. It is essential that vocational rehabilitation services be integrated as part of the overall State work force development system.''

I think it has been mentioned, we have covered this strongly, that we are trying to reach out and help these people. They have participated in the hearings that we held, and while everybody is not totally satisfied, this bill does the best job in improving over the status quo and in reaching out.

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

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

Mr. RIGGS. I appreciate the distinguished chairman of the subcommittee yielding to me.

I think it is important to stress, Mr. Chairman, just before we prepare to vote here, that we completely reform and overhaul the Federal job training programs. We create these four consolidated block grants. This is the only block grant where we not only maintain the current level of funding, but increase funding. I want to impress upon my colleagues that under our proposal, under the CAREERS Act, we are increasing funding for vocational rehabilitation employment-related services. I appreciate the gentleman for yielding so I could make that point.

Mr. MCKEON. Reclaiming my time, I think this brings up another very important point. The gentleman from New Hampshire [Mr. ZELIFF] who spoke earlier today, had a bill that tried to do some of the same things. His bill was one block grant out to the local States and communities. One of the main reasons why we broke out into four block grants was specifically so we could help and do a better job with vocational rehabilitation. Vote ''no'' on the Green amendment. Support the bill.

Mrs. MINK of Hawaii. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Green amendment. The issue that I believe has been misunderstood is the question of the block grant. The legislation that is being proposed here today is not creating a new block grant for vocational rehabilitation. The vocational rehabilitation program has always been under a block grant. That is the current program that is in effect today.

The second misunderstanding is that this bill that is before us is going to create flexibility for the States in operating the program. The current program affords the States full flexibility in designing the programs which they feel are required to meet the needs of their disabled population and paying particular attention to those who are severely disabled, who have been through accidents, who have had stokes and other kinds of very debilitating experiences.

The current program has met the national requirements. It has fulfilled the needs of our local population. It has abided by performance and quality standards which the Congress has set, and yet it has given the States broad discretion in determining how to meet those standards.

The difficulty that we have in accepting title V, as written in the bill, is that the committee, the people that are responsible for writing this legislation, have not had any opportunity to deliberate on the needs and the specific reasons for consolidating this program into a new form of support for the States. Without that opportunity of hearing from the constituency, from the providers and so forth, it seems to me foolhardy for the Congress to now change a program that has been so successful.

Title V of this bill establishes a very prescriptive, one-size-fits-all rehabilitation delivery system for every State, based upon the concept of private enterprise market-driven forces.

Under title V of this bill, vocational rehabilitation clients would be provided vouchers through the work force development board, or a one-stop-career center, to shop for their own services. The availability of services in this private enterprise market-driven system is almost beyond belief as to how it could service this extremely disadvantaged population that needs a different character and mode of service, as has already been described. There is no guarantee whatsoever in the legislation that I can find that this one-stop opportunity, as they are saying they are providing, is going to meet the needs of these individuals.

Someone said earlier in the debate, in defending title V, that what is being done here is that the Congress is somehow substituting for what the people out there in the community have expressed in other areas as changes that must be made. Let me tell the Members that I am not here defending the providers and the bureaucracy of the State. I am here defending the people who have said to me time and time again one of the most wonderful services they have found available in their States currently are the services under the vocational rehabilitation program.

I have a letter here today that I received from a Curtis Inoue in Honolulu. I did not solicit this letter, but he was alarmed when he heard about what was happening to the program under title V. Let me read a portion of the letter.

He says, and I quote, ''Public vocational rehabilitation has proven to be a successful cost-effective method of providing gainful employment to individuals with disabilities. I speak from experience, as an individual who is deaf. I have benefited greatly from vocational rehabilitation services. Whereas I was once a Supplemental Security Income recipient and Medicare beneficiary, I am now a productive, taxpaying citizen, thanks to public vocational rehabilitation services.

''I simply cannot see how the unique needs of individuals with disabilities can be met through generic programs that serve broad categories of individuals seeking employment. Vocational rehabilitation professionals with specialized skills are an essential component of ensuring long-term job retention for persons with disabilities. There is no way that I and many others would be in the position that we are in without having had such services. Please vote to sustain separate funding and services for vocational rehabilitation programs, and encourage your colleagues to do the same.''

I rise to ask my colleagues to do exactly that.

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

Mrs. MINK of Hawaii. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. First, Mr. Chairman, I would say that I am very happy that the present legislation we have before us does keep the separate funding.

The CHAIRMAN. The time of the gentlewoman from Hawaii [Mrs. MINK] has expired.

(On request of Mr. GOODLING and by unanimous consent, Mrs. MINK of Hawaii was allowed to proceed for 10 additional seconds.)

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

Mrs. MINK of Hawaii. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, the gentlewoman mentioned prescriptive. I merely wanted to say current law has 37 major requirements. The CAREERS bill has only 14.

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

Mr. Chairman, before I begin, I yield to the gentleman from Texas, Mr. GENE GREEN, who correctly points out that the National Association of Governors, the bipartisan group of Governors, not only supports this bill, but supports the Green amendment to this bill.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank my colleague from New York for yielding to me. I am glad he pointed that out. Again, the Governors are not here on the floor of the House. They have their authority in the State legislatures and they can work their will there, but we do have a battle of letters here today from Republican Governors, national Governors. The national Governors do support the flexibility of keeping vocational rehabilitation as a separate revenue source or a separate stream, separate from this CAREERS bill, because it has worked for 70 years. Sure, they have gone through reforms in 1992, and we will reform them again, but we do

not need to do it by lumping them all together with everyone else.

Mr. ENGEL. Reclaiming my time, Mr. Chairman, I rise in strong support of the Green amendment. I have many reservations about the bill, and this amendment addresses one of my chief concerns. I do understand and agree with many of the points in support of the bill. The CAREERS bill does eliminate much of the overlap that exists in many Federal education and training programs. I am pleased that some effort is being made to correct the problems that exist. However, I feel that the negatives of this bill outweigh the positives, and would end up damaging the system that is in effect, rather than fixing it. Unless changes such as the amendment of the gentleman from Texas approved, it would be very difficult for me to support the bill.

This bill goes too far, I believe, in addressing problems that need to be corrected. Instead of dealing with overlap and waste, the CAREERS bill virtually guts the job training system for one that has little accountability and not enough safeguards for those who need these programs to improve their lives.

I did not have the chance to speak on the amendment offered by the gentleman from Montana [Mr. WILLIAMS] earlier, but I would like to take a while to comment on it here. As this bill is written, the Governors would have the chief authority to monitor funds provided by the Federal Government. The authors of the bill claim this will cut bureaucracy. However, instead of cutting bureaucracy, I believe this bill would actually increase it on the State level.

□ 1645

In my State of New York, the bill would impose a dual system of services for recipients. Currently a State system has been established through the provisions of the State constitution and statutes promulgated by the State legislature. This system administers both State and Federal funding.

However, the CAREERS bill will set up a separate system to monitor the Federal funding, to be administered by the Governor. Instead of improving services for New York recipients, this legislation will now install two levels of bureaucracy, making it more difficult to receive the same services. This is not the direction that this bill should be taking.

The proposal to change the way the vocational rehabilitation system is structured is totally unacceptable to me as currently written. The bill would limit State flexibility and create uneven access to services to those that are truly needy.

I am concerned that the specialized services that the people who depend on these programs require could be sacrificed in order to satisfy the financial requirements of the bill. Consolidating the specialized programs under this system with generic work force preparation activities could jeopardize the recipients of vocational rehabilitation services. Populations such as the blind and disabled need our full attention and must not be shortchanged.

The current system is fully supported by the disability community and is kept intact in the Senate bill. We must strike title V from this bill so that we can continue to help those who most need it. In the fervor to allegedly cut bureaucracy through the use of large block grants, we may just be creating new problems without taking care of the needs of the recipients.

Mr. Chairman, this bill has many flaws. It is underfunded, it has far too much consolidation, and it severely and adversely changes the vocational rehabilitation system.

This amendment can at least save the vocational rehabilitation system so that our recipients can be properly served. We are already cutting too much from the recipients. Let us not limit their access any further.

I want to conclude by saying what I have said many times in the past. I do not believe that block grants are a panacea to the needs of the States. They only work if they are fully funded, and this bill cuts a great deal.

I have grave reservations but believe that by supporting the gentleman's amendment, this bill will then go in the right direction. I urge my colleagues to support it.

Mr. WILLIAMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, vocational rehabilitation is not broken, and I have not heard anyone claim it is. Vocational rehabilitation is one of the most important mechanisms in America, successfully administered and applied, for assisting individuals with disabilities in obtaining primarily 3 things: Productive employment, to live independently, and to thrive in mainstream society. The system is not broken. It works.

I support the gentleman's amendment because he recognizes and his amendment cures the problem that the bill as now written with regard to vocational rehabilitation—by the way, I want to say parenthetically, I still want a bipartisan approach to this bill and I am still for this bill. We have worked a lot on it in a very bipartisan way.

But the gentleman from Texas understands that the bill disrupts the current vocational rehabilitation system by limiting State flexibility, by diluting accountability and, worse, in the name of vouchers and private sector evening, private sector delivery, it creates uneven access to services. The rehabilitation clients who need the most services, the most attention, the most application, would be the ones least served under the legislated proposal.

Vouchers would not be an appropriate mechanism for the most severely disadvantaged citizens in need of vocational rehabilitation to be served. If one doubts that, look at the outpouring of opposition that greeted this bill from the disability community itself.

I suppose your phones have continued to ring all day long with opposition from the disability community. No, these are not State employees. These are people in need of help who like the system they now have because it is serving them properly. It does work.

We have heard just within the last hour or so from the National Association of Protection and Advocacy Systems, support the gentleman's amendment. We have heard from the Rehabilitation and Continuing Education Programs Consortium, from the National Council on Rehabilitation Education, from the National Association of Developmental disabilities Councils.

The University of Tennessee at Knoxville, their College of Education, the Rehabilitation and Deafness Unit has written to us saying the bill is not right as it is, it needs fixing in the rehab department. They like the Green amendment. The National Rehabilitation Association, the Council of State Administrators of Vocational Rehabilitation, the National Council of State Agencies for the Blind.

These are the users of this system. These are the clients. These are the people that need the help, that get the service every day, saying the Green amendment is the right way to do this.

Let me make a suggestion. I urge my colleagues to drop this title from the bill, vote to drop this title from the bill. Let us review, in concert with the disability community, the vocational rehabilitation community, what we might do together as we move to conference.

If anybody thinks that we have already spent a long, long time on this vocational rehabilitation problem, let me tell the Members we have not. We had one hearing. I am the ranking member on the subcommittee. We had one hearing.

We heard primarily from the industry that would benefit by these vouchers. Everyone else that came before our hearing would have been in support of the Green amendment and was opposed to the bill as it sat. So the rehabilitation community is saying, ''Slow down, wait a minute, you really are trying to fix something here that is not broken and works quite well.''

I urge Members on both the Democrat and Republican side to listen to the disability community that is in need of this vocational rehabilitation. Vote to drop this title from the bill, and let us sit down as we have thus far and work this out in a bipartisan manner.

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

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

Mrs. FOWLER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentlewoman for yielding.

Mr. Chairman, I will just take a minute. First of all, I want to make sure that everybody understands, vouchers is an administration proposal. The administration, I believe, of that side of the aisle. But it is an administration proposal. That is what vouchers are all about.

Second, in Georgia at the present time, they are using vouchers to serve the most disabled, the most disabled.

Lastly, all the references we just heard were references from State employees, State government, all of those who have some special concern. We did not hear those references from the severely disabled individuals.

I would hope that we can save the bill. The only way we can do that, of course, is to defeat this amendment.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of this amendment.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. I thank my colleague the gentleman from California for yielding.

Mr. Chairman, I think we are getting down to calling a vote on the amendment. Let me try and sum up the debate we have had for a good while here.

We have 2 different groups of governors. I have a letter from the National Governors Association saying they support the amendment, that we have had flexibility in vocational rehab for 70 years, it is the original block grant. Why lose a program that is effective, that was changed in 1992 and will be up for reauthorization in 2 years? Why should we lose that and lose that flow to our disabled community?

Let me talk about what the CAREERS Act would do. Under current law, eligible individuals are guaranteed access to the same quality and range of services no matter where they reside in a State. This guarantee would be eliminated under title V, whether the Work Force Development Board and their community had decided to provide this service, whether the work force development area could afford the service. That is why we need a State agency to provide this support and that is why the current system does not need to be lumped in with the CAREERS bill. The CAREERS bill is a good bill, I was proud to vote for it in committee as it came out with the understanding we would be able to address voc rehab. We have not been able to to the satisfaction of the client organizations that I have heard from. Again, we have client organizations, I understand, on both sides. But when there is confusion, we should not disrupt the system, we should let that be separate. Vocational rehabilitation is too important to have it lumped in with the general population. Let us keep that emphasis for vocational rehab for those clients who need it.

Mr. BROWN of California. Mr. Chairman, let me just conclude by saying that I have a very strong interest in this particular area. I began my career here in Congress more than 30 years ago serving on the then Committee on Education and Labor and being actively involved in the creation of some of these programs. I share the views that have been expressed here that when you have a good program that is working effectively, you should not try and make too many changes in it. I hope that I will be able to support this bill as we bring it to final passage. My ability to do that, of course, would be greatly assisted if we could also adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas, Mr. GENE GREEN.

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

RECORDED VOTE

Mr. GENE GREEN of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes 192, not voting 11, as follows:

[Roll No. 670]

AYES—231

Abercrombie	Doyle	Kennelly
Ackerman	Duncan	Kildee
Andrews	Durbin	Kleczka
Baesler	Edwards	Klink
Baker (LA)	Ehrlich	LaFalce
Baldacci	Engel	Lantos
Barcia	English	LaTourette
Barrett (WI)	Ensign	Lazio
Barton	Eshoo	Leach
Becerra	Evans	Levin
Beilenson	Farr	Lewis (GA)
Bentsen	Fattah	Lightfoot
Berman	Fazio	Lincoln
Bevill	Filner	Lipinski
Bishop	Flake	LoBiondo
Blute	Flanagan	Lofgren
Bonior	Foglietta	Lowey
Borski	Forbes	Luther
Boucher	Ford	Maloney
Brewster	Frank (MA)	Manton
Browder	Frost	Markey
Brown (CA)	Funderburk	Martinez
Brown (OH)	Furse	Mascara
Bryant (TX)	Gejdenson	Matsui
Buyer	Gephardt	McCarthy
Cardin	Geren	McCrery
Chapman	Gibbons	McDermott
Chenoweth	Gilchrest	McKinney
Clay	Gonzalez	McNulty
Clayton	Gordon	Meehan
Clement	Green	Meek
Clyburn	Gutierrez	Menendez
Coble	Hall (OH)	Metcalf
Coburn	Hall (TX)	Mfume
Coleman	Hamilton	Miller (CA)
Collins (IL)	Harman	Mineta
Collins (MI)	Hastings (FL)	Minge
Condit	Hayes	Mink
Conyers	Hefner	Mollohan
Costello	Heineman	Montgomery
Coyne	Hilliard	Morella
Cramer	Hinchey	Murtha
Crapo	Hobson	Nadler
Cremeans	Holden	Neal
Danner	Horn	Ney
de la Garza	Hoyer	Nussle
DeFazio	Jackson-Lee	Obey
DeLauro	Jacobs	Olver
Dellums	Johnson (SD)	Ortiz
Deutsch	Johnson, E. B.	Orton
Dickey	Johnston	Owens
Dicks	Jones	Pallone
Dingell	Kanjorski	Pastor
Dixon	Kaptur	Payne (NJ)
Doggett	Kennedy (MA)	Payne (VA)
Dooley	Kennedy (RI)	Pelosi
Peterson (FL)	Schumer	Torres
Peterson (MN)	Scott	Torricelli
Pickett	Serrano	Towns
Pomeroy	Skaggs	Traficant
Poshard	Skelton	Velazquez
Pryce	Slaughter	Vento
Rahall	Smith (NJ)	Visclosky
Ramstad	Spratt	Waldholtz
Rangel	Stark	Ward
Reed	Stenholm	Waters
Richardson	Stockman	Watt (NC)
Rivers	Stokes	Watts (OK)
Roemer	Studds	Waxman
Rose	Stupak	Williams
Roybal-Allard	Tanner	Wilson
Rush	Taylor (MS)	Wise
Sabo	Tejeda	Woolsey
Sanders	Thompson	Wyden
Sawyer	Thornton	Wynn
Schiff	Thurman	Yates
Schroeder	Torkildsen	Zimmer

NOES—192

Allard	Gekas	Nethercutt
Archer	Gillmor	Neumann
Armey	Gilman	Norwood
Bachus	Goodlatte	Oxley
Baker (CA)	Goodling	Packard
Ballenger	Goss	Parker
Barr	Graham	Paxon
Barrett (NE)	Greenwood	Petri
Bartlett	Gunderson	Pombo
Bass	Gutknecht	Porter
Bateman	Hancock	Portman
Bereuter	Hansen	Quillen
Bilbray	Hastert	Quinn
Bilirakis	Hastings (WA)	Radanovich
Bliley	Hayworth	Regula
Boehlert	Hefley	Riggs
Boehner	Herger	Roberts
Bonilla	Hilleary	Rogers
Bono	Hoekstra	Rohrabacher
Brownback	Hoke	Ros-Lehtinen
Bryant (TN)	Hostettler	Roth
Bunn	Houghton	Roukema
Bunning	Hunter	Royce
Burr	Hutchinson	Salmon
Burton	Hyde	Sanford
Callahan	Inglis	Saxton
Calvert	Istook	Scarborough
Camp	Johnson (CT)	Schaefer
Canady	Johnson, Sam	Seastrand
Castle	Kasich	Sensenbrenner
Chabot	Kelly	Shadegg
Chambliss	Kim	Shaw
Christensen	King	Shays
Chrysler	Kingston	Shuster
Clinger	Klug	Skeen
Collins (GA)	Knollenberg	Smith (MI)
Combest	Kolbe	Smith (TX)
Cooley	LaHood	Smith (WA)
Cox	Largent	Solomon
Crane	Latham	Souder
Cubin	Laughlin	Spence
Cunningham	Lewis (CA)	Stearns
Davis	Lewis (KY)	Stump
Deal	Linder	Talent
DeLay	Livingston	Tate
Diaz-Balart	Longley	Tauzin
Doolittle	Lucas	Taylor (NC)
Dornan	Manzullo	Thomas
Dreier	Martini	Thornberry
Dunn	McCollum	Tiahrt
Ehlers	McDade	Upton
Emerson	McHale	Vucanovich
Everett	McHugh	Walker
Ewing	McInnis	Wamp
Fawell	McIntosh	Weldon (FL)
Foley	McKeon	Weldon (PA)
Fowler	Meyers	Weller
Fox	Mica	White
Franks (CT)	Miller (FL)	Whitfield
Franks (NJ)	Molinari	Wicker
Frelinghuysen	Moorhead	Wolf
Frisa	Moran	Young (AK)
Gallegly	Myers	Young (FL)
Ganske	Myrick	Zeliff

NOT VOTING—11

Brown (FL)	Moakley	Tucker
Fields (LA)	Oberstar	Volkmer
Fields (TX)	Reynolds	Walsh
Jefferson	Sisisky	

□ 1720

The Clerk announced the following pair:

On this vote:

Mr. Moakley for, with Mr. Fields of Texas against.

Mr. BAKER of California changed his vote from ''aye'' to ''no.''

Messrs. FORBES, ENSIGN, HORN, DINGELL, WATTS of Oklahoma, and BARTON of Texas changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FIELDS of Louisiana. Mr. Speaker, on rollcall vote Nos. 664, 665, 666, 667, 668, 669, and 670 I was unavoidably detained in my district. Had I been present, I would have voted ''aye'' on 664, ''aye'' on 665, ''aye'' on 666, ''no'' on 667, ''aye'' on 668, ''no'' on 669, and ''aye'' on 670.

PERSONAL EXPLANATION

Mr. WALSH. Mr. Speaker, on rollcall No. 670 I was unavoidably detained. Had I been present in the Chamber, I would have noted ''aye'' on the amendment offered by the gentleman from Texas, Mr. GENE GREEN.

The CHAIRMAN. Are there further amendments to title V?

If not, the Clerk will designate title VI.

The text of title VI is as follows:

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).

The CHAIRMAN. Are there further amendments to title VI?

If not, the Clerk will designate title VII.

The text of title VII is as follows:

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.

The CHAIRMAN. Are there amendments to title VII?

AMENDMENT OFFERED BY MR. KLINK

Mr. KLINK. Mr. Chairman, I offer an amendment, amendment No. 14 printed in the CONGRESSIONAL RECORD.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KLINK: Page 275, after line 4, insert the following:

TITLE VIII—SENSE OF CONGRESS

SEC. 801. SENSE OF CONGRESS.

It is the sense of Congress, that:

(1) to streamline and consolidate workforce preparation and development programs, eliminate unnecessary duplication and fragmentation in such programs as stated in section 3(a)(5)(A), and to provide maximum authority and responsibility to States and local communities for operation of State and local workforce preparation and development programs as stated in section 3(a)(5)(B), the Federal Government should transfer all of the functions of such programs to the State and local communities, including the responsibility to raise revenue to fund such programs; and

(2) Federal tax rates should be reduced by the amount saved by relinquishing Federal responsibility for workforce preparation and development programs.

Mr. KLINK. Mr. Chairman, I find myself in a very unusual position on the floor of the House.

The Chairman, the gentleman from Pennsylvania [Mr. GOODLING], my good friend and colleague, has graciously agreed to accept my amendment, and several Members on the other side of the aisle have indicated their support for the Klink amendment. The problem is this, that my amendment was being offered tongue-in-cheek, and I myself do not support the amendment, and I do not support the underlying bill. I was trying to make a point with this amendment, and I fully intend, Mr.

Chairman, to withdraw this amendment. Again, my dear friend, the chairman, the gentleman from Pennsylvania [Mr. GOODLING], in all good faith, has offered to accept this amendment. Again, it was offered tongue-in-cheek, because I have a serious problem with the idea of block granting everything back to the States.

The underlying bill, which was trying to consolidate more than 100 educational and job training programs into 4 block grants to the States, while I believe Federal job training programs need consolidation, block grants I do not think are the best approach, and I do not think the whole idea we have in a number of other areas to block grant everything back to the States is a great idea either.

I am reminded of the story of a young child who was about 6 years old who wrote a letter to Santa Claus, and somehow the letter ended up coming here to Washington, DC, and the postmaster picked it up, and he looked at it; the letter was written with crayon. It had ended up in Washington, DC. The postmaster picked it up, and he looked at the letter. It said:

> Dear Santa, my family is not going to have a good Christmas because my father is unemployed. My mother has been sick. I simply ask you to send me $10. With that money, I can buy everyone in my family a little gift.

The postmaster was really touched. He reached in his pocket. All he had was a $5 bill. He sent that $5 bill to the young boy with a note. He signed it Santa Claus.

He got a thank you note back some weeks later. The boy said:

> Thank you so much, Santa, for sending that money to me. It made a great difference at Christmastime. But, please, next time do not send it through Washington, DC., because they keep half of it.

It makes no sense for us to send tax dollars to the Federal Government and, in turn, have the Federal Government redistribute that money to the States which, in turn, would redistribute the money to the counties under 50 different sets of guidelines.

In fact, Federal block grants have been tried before. Many of them were terminated in the first Reagan administration after revelations of waste and fraud by local recipients.

My amendment was to say would it not make more sense to let the States raise the money for these programs, run these programs themselves, distribute the funding and cut out the middleman, the Federal Government?

Again, what I am talking about is cutting out the middleman.

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

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

□ 1730

Mr. GOODLING. In spite of the gentleman's story, we accept the amendment, and I do want to point out that block granting and revenue sharing are two different things, and I will assure the gentleman that block granting, coming from my committee, is not revenue sharing.

Mr. KLINK. Mr. Chairman, again to the chairman, I thank him for his graciousness.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

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

There was no objection.

The CHAIRMAN. Are there further amendments to the bill?

If not, the question is on the amendment in the nature of a substitute, as amended.

The question was taken; and on a division (demanded by Mr. GOODLING) there were—ayes 66, noes 43.

So the amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GILLMOR) having assumed the chair, Mr. MCINNIS, 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. 1617), to consolidate and reform work force development and literacy programs, and for other purposes, pursuant to House Resolution 222, 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 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. RIGGS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 345, noes 79, not voting 10, as follows:

[Roll No. 671]

AYES—345

Ackerman	Barr	Bilbray
Allard	Barrett (NE)	Bilirakis
Andrews	Barrett (WI)	Bliley
Archer	Bartlett	Blute
Armey	Barton	Boehlert
Bachus	Bass	Boehner
Baesler	Bateman	Bonilla
Baker (CA)	Beilenson	Bono
Baker (LA)	Bentsen	Borski
Baldacci	Bereuter	Boucher
Ballenger	Berman	Brewster
Barcia	Bevill	Browder
Brown (CA)	Gutknecht	Myrick
Brown (OH)	Hall (OH)	Nethercutt
Brownback	Hall (TX)	Neumann
Bryant (TN)	Hamilton	Ney
Bryant (TX)	Hancock	Norwood
Bunn	Hansen	Nussle
Bunning	Harman	Ortiz
Burr	Hastert	Orton
Burton	Hastings (WA)	Oxley
Buyer	Hayes	Packard
Callahan	Hayworth	Parker
Calvert	Hefley	Pastor
Camp	Hefner	Paxon
Canady	Heineman	Payne (VA)
Cardin	Herger	Pelosi
Castle	Hilleary	Peterson (FL)
Chabot	Hobson	Peterson (MN)
Chambliss	Hoekstra	Petri
Chapman	Hoke	Pickett
Chenoweth	Holden	Pombo
Christensen	Horn	Pomeroy
Chrysler	Houghton	Porter
Clay	Hunter	Portman
Clement	Hutchinson	Pryce
Clinger	Hyde	Quillen
Coble	Inglis	Quinn
Coleman	Istook	Radanovich
Collins (GA)	Jackson-Lee	Rahall
Combest	Jacobs	Ramstad
Condit	Johnson (CT)	Rangel
Cooley	Johnson (SD)	Reed
Cox	Johnson, Sam	Regula
Cramer	Johnston	Richardson
Crane	Jones	Riggs
Crapo	Kanjorski	Roberts
Cremeans	Kaptur	Roemer
Cubin	Kasich	Rogers
Cunningham	Kelly	Rohrabacher
Danner	Kennedy (RI)	Ros-Lehtinen
Davis	Kennelly	Rose
de la Garza	Kildee	Roth
Deal	Kim	Roukema
DeLauro	King	Salmon
DeLay	Kingston	Sanford
Deutsch	Kleczka	Sawyer
Diaz-Balart	Klug	Saxton
Dickey	Knollenberg	Scarborough
Dicks	Kolbe	Schaefer
Doggett	LaFalce	Schiff
Dooley	LaHood	Schroeder
Doolittle	Lantos	Sensenbrenner
Dornan	Largent	Shadegg
Doyle	Latham	Shaw
Dreier	LaTourette	Shays
Duncan	Laughlin	Shuster
Dunn	Lazio	Skaggs
Edwards	Leach	Skeen
Ehlers	Levin	Skelton
Ehrlich	Lewis (CA)	Smith (MI)
Emerson	Lewis (KY)	Smith (NJ)
English	Lightfoot	Smith (TX)
Ensign	Lincoln	Smith (WA)
Eshoo	Linder	Solomon
Everett	Lipinski	Souder
Ewing	Livingston	Spence
Fawell	LoBiondo	Spratt
Fazio	Longley	Stearns
Flake	Lowey	Stenholm
Flanagan	Lucas	Stockman
Foglietta	Luther	Stokes
Foley	Manton	Stump
Forbes	Manzullo	Stupak
Ford	Martini	Talent
Fowler	Mascara	Tanner
Franks (CT)	McCarthy	Tate
Franks (NJ)	McCollum	Tauzin
Frelinghuysen	McCrery	Taylor (MS)
Frisa	McDade	Taylor (NC)
Frost	McHale	Tejeda
Funderburk	McHugh	Thomas
Furse	McInnis	Thornberry
Gallegly	McIntosh	Thornton
Ganske	McKeon	Tiahrt
Gekas	McNulty	Torkildsen
Gephardt	Meehan	Torres
Geren	Metcalf	Traficant
Gibbons	Meyers	Upton
Gilchrest	Mica	Vento
Gillmor	Miller (CA)	Visclosky
Gilman	Miller (FL)	Vucanovich
Gonzalez	Minge	Waldholtz
Goodlatte	Molinari	Walker
Goodling	Mollohan	Walsh
Goss	Montgomery	Wamp
Graham	Moorhead	Ward
Green	Moran	Watts (OK)
Greenwood	Morella	Weldon (FL)
Gunderson	Murtha	Weldon (PA)
Gutierrez	Myers	Weller

White	Wilson	Young (AK)
Whitfield	Wise	Young (FL)
Wicker	Wolf	Zeliff
Williams	Wyden	Zimmer

NOES—79

Abercrombie	Hastings (FL)	Pallone
Becerra	Hilliard	Payne (NJ)
Bishop	Hinchey	Poshard
Bonior	Hostettler	Rivers
Brown (FL)	Hoyer	Roybal-Allard
Clayton	Jefferson	Rush
Clyburn	Johnson, E. B.	Sabo
Collins (IL)	Kennedy (MA)	Sanders
Collins (MI)	Klink	Scott
Conyers	Lewis (GA)	Seastrand
Costello	Lofgren	Serrano
Coyne	Maloney	Slaughter
DeFazio	Markey	Stark
Dellums	Martinez	Studds
Dingell	Matsui	Thompson
Dixon	McDermott	Thurman
Durbin	McKinney	Torricelli
Engel	Meek	Towns
Evans	Menendez	Velazquez
Farr	Mfume	Waters
Fattah	Mineta	Watt (NC)
Fields (LA)	Mink	Waxman
Filner	Nadler	Woolsey
Fox	Neal	Wynn
Frank (MA)	Obey	Yates
Gejdenson	Olver	
Gordon	Owens	

NOT VOTING—10

Coburn	Reynolds	Tucker
Fields (TX)	Royce	Volkmer
Moakley	Schumer	
Oberstar	Sisisky	

□ 1755

Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MATSUI, and Mrs. SEASTRAND changed their vote from ''aye'' to ''no.''

Mr. BONO, Ms. JACKSON-LEE, Mr. BEILENSON, and Mr. MILLER of California changed their vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1617, CAREERS ACT

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1617, the Clerk be authorized to make technical corrections and conforming changes to the bill.

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

There was no objection.

GENERAL LEAVE

Mr. MCKEON. 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 H.R. 1617, the bill just passed.

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

There was no objection.

REREFERRAL OF H.R. 2202, IMMIGRATION IN THE NATIONAL INTEREST ACT OF 1995, TO SUNDRY COMMITTEES

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that H.R. 2202, the Immigration in the National Interest Act of 1995, be rereferred to the Committee on the Judiciary, and in addition to the Committees on Agriculture, Banking and Financial Services, Economic and Educational Opportunities, Government Reform and Oversight, National Security, and Ways and Means 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.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 12

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Concurrent Resolution 12.

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

There was no objection.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1817, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1996

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104–251) on the resolution (H. Res. 223) waiving points of order against the conference report to accompany the bill (H.R. 1817) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2274, DESIGNATING THE NATIONAL HIGHWAY SYSTEM

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104–252) on the resolution (H. Res. 224) providing for consideration of the bill (H.R. 2274) to amend title 23, United States Code, to designate the National Highway System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 927, THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY ACT OF 1995

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104–253) on the resolution (H. Res. 225) providing for the consideration of the bill (H.R. 927) to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H.R. 2277, THE LEGAL AID ACT OF 1995

Mr. FLANAGAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight, Tuesday, September 19, 1995, to file the committee report on the bill, H.R. 2277, the Legal Aid Act of 1995.

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

There was no objection.

PERSONAL EXPLANATION

Mr. NEUMANN. Mr. Speaker, this morning I was unavoidably detained in Milwaukee during rollcall vote Nos. 664, 665, 666, and 667. Had I been present, I would have voted ''yea'' on rollcall 664, ''nay'' on rollcall 665, ''nay'' on rollcall 666, and ''nay'' on rollcall 667.

PARK REFORM AND H.R. 260

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

Mr. RICHARDSON. Mr. Speaker, today the House has an opportunity to remove the ''For Sale'' sign from our National Park System by voting no on H.R. 260. The administration is against this bill, as well as every environmental organization.

This bill establishes a Park Closure Commission to make recommendations to Congress on which units of the National Park System should be closed, privatized or sold to the highest bidder.

If you can imagine a Walmart in the middle of Valley Forge National Historical Park or a Wendy's inside the gates of Little Bighorn National Battlefield Park, then you have some idea of the brave new world after H.R. 260.

While Congress is poised to sell off our priceless national treasures, the American people we represent are making their voices known in ever-increasing visitation numbers to the parks.

In fact, park visitation, which will hit 270 million this year, is expected to hit 360 million by the year 2000, just 5 years from now.

I urge Congress to heed the concerns of the American people, not the beltway bandits who would rob us of our most precious assets. I urge a ''no'' vote on H.R. 260.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, September 16, 1995.

STATEMENT OF ADMINISTRATION POLICY

THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES

H.R. 260—National Park System Reform Act of 1995—Hefley and eight cosponsors

The Administration strongly opposes H.R. 260 unless amended to delete provisions in sections 101 and 102 that establish a process for identifying National Park System (NPS) units that should be closed. This emphasis on closing existing parks undermines the commitment made by previous generations to protect this Nation's important natural and historic resources. The Administration supports other, forward-looking provisions in H.R. 260 that provide for a NPS Plan and the establishment of a clear process for identifying and evaluating potential new NPS units.

LEAGUE OF CONSERVATION VOTERS,
September 18, 1995.

Re oppose H.R. 260, the National Park System Reform Act.

U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: The League of Conservation Voters is the bipartisan, political arm of the national environmental movement. Each year, LCV publishes the *National Environmental Scorecard,* which details the voting records of Members of Congress on environmental legislation. The Scorecard is distributed to LCV members, concerned voters nationwide and the press.

This Tuesday, the House of Representatives is expected to vote on a motion to suspend the rules and consider H.R. 260, the National Park System Reform Act. Under the guise of reforming and improving the National Park System H.R. 260 creates a politically appointed commission, whose sole responsibility would be to determine which park units should be closed. While there may be units in the National Park System that deserve scrutiny, LCV opposes the creation of a politically appointed parks closure commission and urges you to vote against passage of H.R. 260.

H.R. 260, and the parks closure commission it creates, threatens 315 units of the National Park System including: urban parks, historic sites, national monuments, national seashores, national recreation areas, and Civil War Battlefields. Instead of considering ways to improve the National Park System H.R. 260 unnecessarily creates a new layer of government and an expensive bureaucratic process, when in fact Congress already has the authority to remove units from the National Park System.

LCV views H.R. 260 as an assault on the protection of our cultural and natural heritage. By bringing H.R. 260 to the House floor on the suspension calendar Members are prevented from offering amendments which could significantly improve this flawed legislation. LCV believes that the full House of Representatives, like the House Resources Committee, should have an opportunity to vote on an amendment to delete the park closure commission. LCV urges you to oppose H.R. 260 so that this and other amendments can be offered under regular House procedures. LCV's Political Advisory Committee will consider including a vote on passage of H.R. 260 in compiling its 1995 Scorecard.

Thank you for your consideration of this issue. For further information, please call Betsy Loyless in my office at 202/785–8683.

Sincerely,

FRANK LOY,
Acting President.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 19, 1995.

H.R. 260 IS BAD FOR AMERICA—PARK CLOSURE COMMISSION COULD CLOSE PARK UNITS

DEAR COLLEAGUE: the House today is scheduled to vote on H.R. 260, legislation to establish a park closure commission which would have the authority to recommend to Congress which units of the National Park System should be considered for closure, privatization or sale to the highest bidder.

H.R. 260 specifically exempts the 54 units of the National Park System from the closure commission recommendations leaving less visited, smaller budgeted parks and important national monuments like Independence Hall, the Statute of Liberty, Mt. Rushmore, the Washington, Lincoln and Jefferson Monuments and the Martin Luther King Jr. National Historic Site on the chopping block.

Please consult the map and descriptive listing of the 369 units of the National Park System printed on the reverse of this page for more information on the specific units in your district.

H.R. 260 is highly controversial legislation which is opposed by a bipartisan coalition of Americans including the Clinton Administration, editorial boards from newspapers across the nation, and nearly every major national environmental organization. It does not belong on the suspension calendar.

When the House votes on H.R. 260 this morning, I urge a NO vote.

Who Opposes H.R. 260?

The White House.
The Department of Interior.
The National Park Service.
The League of Conservation Voters.
Environmental Action Foundation.
Sierra Club.
The National Parks and Conservation Association.
Defenders of Wildlife.
Sierra Club Legal Defense Fund.
Friends of the Earth.
Izaak Walton League of America.
American Hiking Society.
The Wilderness Society.

What papers have issued editorials against H.R. 260?

The New York Times.
The Salt Lake Tribune.
The Miami Herald.
The St. Louis Post-Dispatch.
The Philadelphia Inquirer.
The Wichita Eagle.
The Las Vegas Sun.

Please contact Ben Finzel of my staff (x56190) with any questions or for more information.

With warm regards,

BILL RICHARDSON,
Chief Deputy Whip.

SPEAKER GINGRICH'S OWN PRECEDENTS FOR INVESTIGATING A SPEAKER

(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, according to the New York Times today the Committee on Standards of Official Conduct is beginning to allow and agree that they must appoint on outside counsel to investigate Speaker NEWT GINGRICH. The only question is what kind of authority will this outside counsel have? I ask unanimous consent to put in the RECORD at this point the Speaker's prior precedents that he had in 1988 when the Committee on Standards of Official Conduct last engaged in an investigation on a prior Speaker.

Mr. Speaker, in every single one of the Speaker's demands to the Committee on Standards of Official Conduct he said the outside counsel must have full authority. Those eight demands must be followed in this case, too, because no one could have said it better than Speaker GINGRICH said at that time is his letter to the Committee on Standards of Official Conduct. He said:

The rules normally applied by the Ethics Committee to an investigation of a typical Member are insufficient in an investigation of the Speaker of the House . . . Clearly this investigation has to meet a higher standard of accountability and integrity.

Mr. Speaker, if it was true in 1988, it is true in 1995.

GINGRICH INSISTS ON THOROUGH INVESTIGATION

WASHINGTON, DC.—Congressman Newt Gingrich (R–GA) today insisted that the House Ethics Committee give the special counsel appointed to investigate House Speaker Jim Wright the independence necessary to do a thorough and complete job. Discouraged by several news reports that special counsel Richard Phelan would be restricted in the scope of his investigation, Gingrich took a series of actions including writing to House Ethics Committee Chairman Julian Dixon (D–CA), forwarding the letter to his colleagues in the House, and speaking on the House floor on the need for a truly independent counsel with full leeway in pursuing the investigation.

In his letter to Chairman Dixon, Gingrich wrote:

''I have a number of concerns regarding the Ethics Committee's contract with and instructions for the special counsel hired to conduct the investigation into Speaker Jim Wright's questionable financial dealings.

''First, I am concerned that the scope, authority, and independence of the special counsel will be limited by the guidelines the Ethics Committee has established.''

Gingrich agreed with concerns raised by Common Cause Chairman Archibald Cox in a letter to Chairman Dixon earlier this week. The Common Cause letter urged the Ethics Committee to ''commit itself to the following measures:

1. The outside counsel shall have full authority to investigate and present evidence and arguments before the Ethics Committee concerning the questions arising out of the activities of House Speaker James C. Wright, Jr.;

2. The outside counsel shall have full authority to organize, select, and hire staff on a full- or part-time basis in such numbers as the counsel reasonably requires and will be provided with such funds and facilities as the counsel reasonably requires;

3. The outside counsel shall have full authority to review all documentary evidence available from any source and full cooperation of the Committee in obtaining such evidence;

4. The Committee shall give the outside counsel full cooperation in the issuance of subpoenas;

5. The outside counsel shall be free, after discussion with the Committee, to make such public statements and reports as the counsel deems appropriate;

6. The outside counsel shall have full authority to recommend that formal charges be brought before the Ethics Committee, shall be responsible for initiating and conducting proceedings if formal charges have been brought and shall handle any aspects of the proceedings believed to be necessary for a full inquiry;

7. The Committee shall not countermand or interfere with the outside counsel's ability to take steps necessary to conduct a full and fair investigation; and

8. The outside counsel will not be removed except for good cause.''

Gingrich wrote to Chairman Dixon, ''It is my impression from press reports that the Ethics Committee has specifically failed to meet the Common Cause standard. Furthermore, it is my understanding that the special counsel cannot go beyond the six areas outlined in your June 9, 1988, Resolution of Preliminary Inquiry. This leads me to believe that the special counsel will not be allowed to investigate the questionable bulk purchases of Mr. Wright's book, 'Reflections of a Public Man,' as a way to circumvent House limits on outside income.

''I am particularly concerned that the unusual purchases by the Teamsters Union, the New England Mutual Life Insurance Co., a Fort Worth developer, and a Washington lobbyist will not be investigated.

''I believe many will perceive this action as an attempt by the Ethics Committee to control the scope and direction of the investigation.''

Gingrich requested a copy of the contract arranged between the Ethics Committee and Mr. Phelan. He also asked to know the extent of Mr. Phelan's subpoena power.

Gingrich said, ''The House of Representatives, as well as the American public, deserve an investigation which will uncover the truth. At this moment, I am afraid that the apparent restrictions placed on this special counsel will not allow the truth to be uncovered.

''The rules normally applied by the Ethics Committee to an investigation of a typical Member are insufficient in an investigation of the Speaker of the House, a position which is third in the line of succession to the Presidency and the second best powerful elected position in America. Clearly, this investigation has to meet a higher standard of public accountability and integrity.''

□ 1800

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. GILLMOR). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

[Mr. MCINTOSH 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 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.]

STATE OF TENNESSEE NOW ENJOYS REPUBLICAN MAJORITY

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

Mr. BRYANT of Tennessee. Mr. Speaker, I rise tonight and join my fellow colleagues from Tennessee to proudly announce to this body that for the first time since reconstruction, the Tennessee State senate has a majority of Republicans.

State Senators Rusty Crowe of Johnson City and Milton Hamilton of Union City last week made the decision to make Tennessee history.

If I am not mistaken, this is the first time since the 104th Congress convened that a State senate has seen a party switch.

And what's more, it didn't even take an election to do it.

Senator Hamilton had served as a State senator for 25 years as a Democrat. After he made his announcement to switch parties, he said, and I quote: ''I'll be honest with you. I should have switched a long time ago.''

Prior to his switch, Senator Crowe stated, and again I quote: ''If I do it, it will be because I believe it's the right thing for my constituency.''

Mr. Speaker, clearly this latest action reinforces and validates the notion that our party has a vision for the future, that the fundamental restructuring of government we are implementing at the Federal level is continually gaining support at the State level.

Tennessee is leading the way for all of America for the cause of a smaller, less costly, and less intrusive Federal Government, and like my fellow colleagues here with me tonight, I'm proud to be a part of it.

But all of this positive change just did not take place on its own. It took many hours of long, hard work in order for this revolution to be realized.

While there were many who helped what once was surely only a dream to become a reality, there are a couple of individuals who have devoted themselves to the Republican cause.

Before I close, I would like to take just a moment to acknowledge the hard work and dedication of two special people back home.

Our State party chairman, Randle Richardson, deserves as much credit as anyone for securing a Republican majority in the senate. Randle has worked tirelessly for our party, and has devoted his life to the cause of a common-sense government.

And my predecessor, my good friend Gov. Don Sundquist, had a lot to do with this. Governor Sundquist has always extended an open and welcome hand, and we should all applaud him for his efforts.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

[Ms. DELAURO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

TRAGEDY OVER PUGET SOUND

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

Mr. WHITE. Mr. Speaker, I live on an island in the middle of Puget Sound, and a week ago yesterday, on Monday, I took the 6:20 a.m. ferry over to Seattle enroute to a meeting. As we left the harbor, a very sad thing happened. The captain of the ferry came on and said that we were going to have to slow down because he had had reports that a helicopter had crashed in Puget Sound and we would have to help in the search.

The fact is, as we went a little further across the sound, we saw some pieces of wreckage. A helicopter had, in fact, crashed and we spent several minutes cruising around the area trying to find survivors. Unfortunately, Mr. Speaker, there were no survivors and we learned that what this was was an Airlift Northwest medical helicopter coming over the island with a team of nurses to help in a medical emergency on the island, to take some people back to Seattle.

Mr. Speaker, a pilot and three medics died in this crash, and I would have to say that the captain came on the intercom on the ferry boat and said it probably best as we left the scene of the accident after looking for the survivors. He said:

> Ladies and gentleman, sorry for the inconvenience, sorry we had to spend a few minutes trying to help out in this search, but you have just seen the final resting place of three true American heroes.

Mr. Speaker, I would like to add just a few thoughts to what the captain of the ferry boat said on that morning. As I said, I live on Bainbridge Island and I have heard the helicopter go over my house many times bringing medical help to people who needed it on the island and could not get to a hospital. There are approximately 14,000 people living on this island and there are places like it all over the United States. Every day we counted on people at Airlift Northwest to help us out, we counted on them and they risked their lives to help us. We owe them the deepest debt of congratulations.

Today, Mr. Speaker, I would like to dedicate my remarks and give my thanks to Lee Bothwell, the pilot of that helicopter; to Marna Fleetwood, a nurse on the helicopter; and to Amy Reeby, another nurse on the helicopter. They are true heroes. I offer my condolences to their young families. All of them have young children. I hope they rest in peace.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. MALONEY] is recognized for 5 minutes.

[Mrs. MALONEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. SAXTON 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 New Jersey [Mrs. ROUKEMA] is recognized for 5 minutes.

[Mrs. ROUKEMA addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

IMPORTANCE OF A BALANCED BUDGET, WELFARE REFORM AND MEDICARE TO AMERICA

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

Mr. KINGSTON. Mr. Speaker, I have just returned from 4 days in Georgia visiting with constituents, meeting with a few civic clubs, and riding in a parade or two. In talking around the district that I represent, the coastal area of Georgia, Georgia's first district, the three predominant things that seem to be on people's minds are balancing the budget, reforming welfare, and the changes in the Medicare Program.

On balancing the budget, even though the other body across the Hall failed to pass the balanced budget amendment, it is absolutely undeniable that the American people want us to balance the budget. As a member of the Committee on Appropriations I can say that we are moving in that direction. We have 1 appropriations bill left out of 13. Hopefully, we will pass that this week or next week. When we do, we will have all of our appropriations bills passed, which take us to having a balanced budget by the year 2002.

The importance of this, Mr. Speaker, is that as we have these billion dollar deficits each year, it takes money away from other programs and we are unable to pay down the debt. Now all we are doing is servicing the interest. Currently, the interest on the national debt is the third largest item in our budget every year. In 2 years that interest is expected to exceed all of the military spending. Once we get rid of the deficit, we can start paying off the principal beyond the interest of the debt. Of course, it will take many, many years. We have a $4.8 trillion debt.

The definition, Mr. Speaker, of a trillion, to illustrate it, and, first of all, it is almost beyond comprehension, but if we spent $100,000 a minute, 24 hours a day, it would take 19 years to get to $1 trillion. We currently have a debt of $4.8 trillion. We simply cannot pass that on to the children of the United States of America.

I think it is very important that this House is moving toward a balanced budget as fast as we can. I certainly hope the folks in the other body feel the same way.

We have passed welfare reform in the House. Our welfare reform has four significant planks to it.

No. 1, a work requirement. If an individual is able-bodied, in order to get welfare, they should have to work.

No. 2, a mechanism to discourage illegitimate births, since that is one of the biggest problems in America today.

No. 3, State flexibility. We may do it differently in Georgia than the folks in New York, but let us make those decisions.

And No. 4, no welfare benefits to illegal aliens. We want to help them if they are hurt in this country, but we also want them to get back home if they are not American citizens, so that they are not coming over to America to enjoy the benefits of our generous public benefits system.

The third thing people are interested in, of course, is the Medicare Program. The current trustees in April said that Medicare is going broke. We have to move to save it. We are trying to slow the growth of it, trying to make the growth of Medicare inflation about 6 percent, which is closer to what it is in regular medical inflation. Actually, regular medical inflation was down last year. It was not even inflation. But the costs were down.

The thing we need to do on Medicare is protect and preserve it by simplifying it. We want to give senior citizens a whole list of options: choice of doctors, choice of traditional fee-for-service plans, choice of traditional Medicare, and, along with that, some other options like Medisave accounts and so forth.

We believe all this can be done, Mr. Speaker, and the result will be a better product to American seniors. Again, we want to protect and preserve it.

The big frustration that the American people seem to be having is while we have done a lot of things in the House, across the Hall, in the other body, they are taking the route of inaction. It is true today they passed welfare reform, but we passed ours back in March. It is time to bring these issues to a question. Will the other body and will the executive branch join the House, the lower Chamber, in making the reforms necessary to preserve our country?

I hope that they will, because we are clearly on the road to personal responsibility, personal discipline, balancing the budget, lowering taxes, decreasing Government regulation and micromanagement out of Washington, and, best of all and most importantly, increasing personal freedom. We cannot do it alone. We have to have the cooperation of the full legislative branch of Government, which means the other body, and we have to have the executive branch to sign this into law.

Mr. Speaker, if we can get the cooperation of the folks across the hall, I believe we will have a balanced budget, we will have Medicare reform, and we will have welfare reform. This, Mr. Speaker, I believe, is what the American people are asking for.

DOMESTIC VIOLENCE

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

Mr. FOX of Pennsylvania. Mr. Speaker, I rise today to speak to my colleagues regarding the important legislation which is before the House in order to reduce domestic violence here and across the United States. I wish to illustrate the importance of such legislation by a domestic violence conference which was held in my home of Montgomery County, PA, just this past Saturday. It is the third in a series of three conferences sponsored by Laurel House, which is the shelter for abused children and women, the Victim Services Center of Montgomery County, and the Women's Center of Montgomery County, along with the Commission On Women and Families, sponsored by the county commissioners.

□ 1815

In this case, all of them work together to make sure that legislative action, as well as court action and police action, is in fact brought together so that we can reduce violence in the home, reduce violence across America.

I have to compliment the police departments across the country, as well as in my home area of Pennsylvania, for doing so much with the Protection From Abuse Act, which requires there be protection for those who have been abused, to be able to have protective orders, to be absent from the marital home, and in fact have the tranquility and the privacy they deserve and be free of harm from the offending spouse.

The courts as well have been very sensitive in being involved in sensitivity programs. Many of our jurists have been involved with domestic violence awareness and are very sensitive now in their sentences and their treatment of such cases.

But I call to your attention, Mr. Speaker, to some legislation which has

been introduced which I am supporting, which in fact will go a long way to help those in the domestic violence network who are trying to prevent such occurrences from continuing, to the Molinari legislation, which will be calling for a prohibition of insurance companies in denying coverage for those who have been victims of domestic violence. This was very important legislation, and legislation that is so self-evident that it should already be passed. But I am hopeful as a result of the conferences we recently held in Montgomery County, as well as across the country, we will support this kind of legislation which is very important.

There is legislation as well that deals with and calls for training for domestic violence prevention for health care workers and health care professionals across the country. This is a very good area of influence and of assistance that we think can go a long way as well to reduce domestic violence.

Finally, legislation that I will be introducing shortly is going to call for coordinated community response for domestic violence. While we have worked together on the antidrug programs and in other important community endeavors, Mr. Speaker, this is one area where we need to make sure we bring all the forces together that can make a difference, whether it be the families, whether it be the clergy, whether it be the courts, whether it be police or those people who work in the victim services center, who work in the shelters for abused women and children, wherever it may be. We need to bring those coordinated efforts together so we are reducing the incidence of such crime, we are prosecuting those who commit such crimes, and make sure that America is safer because of our intervention and our coordinated assistance.

I will be pleased to report back to the Speaker and my fellow colleagues about legislation and coordinated community response as we in the 104th Congress unfold our proreform agenda, to make sure we take into account these anticrime efforts which will help support families.

MEDICARE CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. DOGGETT] is recognized for 60 minutes as the designee of the minority leader.

Mr. DOGGETT. Mr. Speaker, I am here again tonight, as I was last night and this morning, to talk about the future of Medicare and specifically to discuss the new Republican Medicare plan, which is the pay-more-get-less plan. In the event that anyone has not gotten all the details, that is really what it boils down to. But we will spend the next hour discussing the details of the impact of this plan.

Why is it that having discussed this plan to some extent already, that I am back again talking about it some more? Well, I can tell you that the reason is because on Thursday of this week, the day after tomorrow, just a few hours away, the Committee on Ways and Means will have 1 day of hearings, 1 day for all of the people in America, all of the experts on this subject, and let me assure you that some of the best experts on Medicare are the 37 million Americans who depend on Medicare for their health care, but 1 day in the entire year in which that committee will take time to hear what should the future of Medicare be, what should the specifics of legislation be. And in that 1 day and that 1 day only, will they focus on what ultimately could be the beginning of the total destruction of Medicare as we have known it for the last three decades. So it is critical to take every opportunity to focus attention and to advise the people of America on what is about to happen with reference to this critical Medicare system.

Now, I have to say to those who may have concern as to whether this message is getting out and whether people are hearing about it and really realize the impact of these drastic changes on them, that I believe the answer is a strong yes; that indeed the attention that we as Democrats have focused on the plan that the Republicans have to grab $270 billion out of the Medicare system in order to fund their tax breaks for the privileged few in this country, has already had a big impact.

It was a little over a month ago that the Washington Post stated, ''Medicare premiums would soar under new options in Republican plan.'' They point out that under all three versions of the Republican working documents that have been leaked to the press, Medicare premiums would go up, Medicare deductibles would go up, and Medicare copayments will go up.

I can recall seeing some of those leaked documents and knowing that there were Republican Members actually advocating that we needed to discourage the seniors from having what is called Medigap insurance. That is to pick up the cost of what Medicare does not pay through private insurance. And it was part of this Republican theory that our seniors are simply not paying enough for their health care. Even though they have to pick up the costs for their prescriptions, even though we have no effective long-term health care plan for those seniors who might face the possibility of a nursing home, even with all of the things not covered by the Medicare system, as good as it is today, the Republicans say they are not having to pay enough and we need to find a way to actually discourage them from having this private Medigap insurance.

Well, when the plan was unveiled, to the extent the veil has been pulled back, and it is only a partial lifting of the veil that we have had in the last few days, when the plan was partially unveiled, the Republicans began to back off from this theory and began to say well, we really do not want to increase deductibles, and we are not sure we want to increase copayments, and yes, it is OK to have Medigap insurance.

So as they have heard from Americans across this country, as members of the Democratic Party have had the courage to stand here on the floor and speak out about this plan, they have begun to back off. I cannot help but think if we continue to speak out, even though they accord us only 1 day of hearings, if we continue to speak out at every possible opportunity, they will yet rethink the pay-more-get-less plan and recognize that it is not in the best interests of the American people.

Of course, with reference to the plan that they have unveiled in seeking 1 day of hearings, there have been a number of people, and not just Democrats, who have been critical of that. As I think about Republican-oriented newspapers in this country, I can think of few that are more Republican-oriented than the lead paper in the city of Dallas, in my home State of Texas, the Dallas Morning News. I want to quote briefly from an editorial that they had on this subject of limiting the right of the American people to know the details of this. I say almost the most Republican paper in this country, because undoubtedly the most Republican paper is the American Civilization Newspaper. It is the newspaper of the Progress and Freedom Foundation, which was founded by our Speaker, NEWT GINGRICH.

As you will recall in February of this year, the lead editorial from that foundation was entitled ''For freedom's sake, eliminate Social Security.'' In that lead editorial in February, the editorial derided Social Security, in addition to Medicare, and it said that ''It is time to slay,'' and I am quoting, ''the largest government entitlement program of all, Social Security.'' It said, ''Social Security must be abolished.''

It is that kind of extreme ideological thinking that I think is behind the effort to first subvert and weaken the Medicare system with the pay-more-get-less system, and then to go after the weakening and the eventual destruction of the Social Security System, as the Speaker's own newspaper advocated back in February of this year.

But returning to Texas and returning to the very Republican-oriented Dallas Morning News, on September 10, under a title ''Changing Medicare, public will need time to grasp reforms,'' the Dallas Morning News says,

> Remember last year when the Democrats tried to rush final health plan through Congress just before the August recess? At that time the Republican congressional leaders said look, these reforms are too complicated. The American people need time to absorb them. Let's break for August and let the American people digest and debate them.

They say, ''The Republican response was appropriate.'' Of course, you would

expect that from a Republican-oriented newspaper. But then they go on to point out this. They say, ''but now their memory,'' referring to the Republicans, ''seems short, if not selective. One year later, Republican congressional leaders are trying to rush their own health care reforms. Here comes the hypocrisy,'' they say. Republicans want Congress to vote on the reforms within 10 days to 3 weeks. That is misguided. Congress soon must finish its plan to achieve a balanced Federal budget. Medicare, after all, is a lifeline for many senior citizens.'' They say, ''changes should not be rammed down their throats.''

That is what this discussion tonight is about. I was quoting the Dallas Morning News that changes should not be rammed down the throats of our Nation's seniors.

Then they go on to point out, ''Let's not revisit the mess of last year. Republicans must listen to their own counsel.''

That is what we are calling for. Do not just devote 1 day to wrecking a program that it has taken 30 years to get in place, a program that over 9 out of 10 of every Republican Member of the Congress, back when President Johnson signed Medicare into law, opposed. Let us focus attention and provide for detailed analysis.

After all, the Republicans in this House thought that the Whitewater affair was deserving of 28 days of public hearings, and yet when the issue is a whitewash for an attempt to undermine the Medicare system, they seem unwilling to devote more than a day.

Now, I see that my colleague from Texas, the gentlewoman from Houston, TX [Ms. JACKSON-LEE], is here. I know she had the occasion to sit through some of those hearings and to know about these matters, and perhaps she has some observation about the impact of this kind of pay-more-get-less plan and rushing it through in a single day.

Ms. JACKSON-LEE. Mr. Speaker, I appreciate the gentleman from Texas, my colleague, and also appreciate the persistence that he has offered in this effort, and all of us have come to this issue with a certain bit of perplexity. I am a little bit confused, not so much because I am confused about what I hear from my constituents in the 18th District of Texas, particularly the senior citizens, about the need for Medicare and the need for a balanced response to some of the concerns that are expressed, but the gentleman from Texas is correct. We are at a posture where we have the answer from the GOP plan, pay more and get less, and yet we are finding that few of our Republican colleagues want to lay this out for a full-blown hearing in order to hear from our constituents across the Nation.

My fourth grader is learning about the States in the United States, all 50 of them, and he takes great pride in pointing out the different States and the different distinctions. But when we look at this road map of the United States of America, the truth about the Republican Medicare cuts, we can see not one single State misses the bat, misses the heat, misses getting cut to the bone.

In particular, if we look at Texas, we will find that seniors will be paying $3,785 more over the next 7 years of out-of-pocket increases. We look at Connecticut, we look at Camden, CT, and we look at up in the New England States, we look at New York, we look at Washington, DC, down in Florida, where there is a huge senior citizen population, $5,082.

So the real question becomes, why the coverup? Why not a full force hearing on what we are doing with Medicare?

I might raise a point with the gentleman that gives me great pause for concern going home to my district. There is a discussion and an editorial, if you will, about this concept of managed care. Might I just inject that we have the healthiest population of Americans, elderly Americans, in the 30-year history, since 1965? We can point today that some 99.1 percent of Americans, but particularly seniors, are insured because of Medicare, with health coverage. We can point to a healthier senior citizen population and one that has experienced this whole trend toward preventive health care.

But the question becomes with this managed health care philosophy that is being promoted by Republicans, they will choose a managed care system. When you go into rural communities and some of our urban centers, it is already determined that what will happen is the healthiest of our seniors may have the opportunity to choose a managed care system. But what you will have remaining are the sickest of our seniors.

□ 1830

That then becomes an unfunded mandate of sorts on our local government and county government and State government. But beyond the dollars, what we will have will be a population that needs health care the most, that needs hospitalization the most, that needs the constant care the most, the long-term care, and they will not have it.

And so I think that, if we are going to fix Medicare, what we need to do is to have hearings where hospitals and administrators and long-term care givers and those elderly who are most sick can explain their medical needs. Not that we are looking to ensure a system for fraud and abuse; I do not hear you talking about that.

I think Democrats have come to the table and come to the table repeatedly, making the system work. But my concern is already about the increased cost with the recommendation by the Republicans, yet in cover of night, with no hearings.

Then secondarily, what do I answer, what do I tell my seniors who are now sick and who may be sicker, that the only thing that they have to do is wait to see if managed care or an HMO will pick them up. I do not think that will be the answer.

Mr. DOGGETT. As you have pointed out, when our fellow Texan signed Medicare into law in 1965, about half of the seniors in this country had no type of health insurance at all. Now we have covered about 99 percent of those seniors, and it seems to be a plan that works for them.

I do not find many of those seniors saying that they need somebody to manage them. The folks that I know down in Texas are a pretty independent lot. Managed care has its place; I am all for people being able to choose that alternative. But folks there do not seem to be too interested in being managed. They seem to be interested in having the kind of Medicare System that they can depend on.

There is some concern that under the plan that is being proposed that we will actually end up with a two-tier system, as you point out, leaving the sickest people within the Medicare System and then having some new kind of system that takes some for those who are in a little healthier condition.

I know also that in the city of Houston, as with many other parts of the country, as I am sure this is true in New Haven as well, that you have a huge medical complex there, a teaching hospital there. And there will be even more burden, I am confident, on the teaching hospitals, on the public hospitals for this kind of approach; is that your feeling?

Ms. JACKSON-LEE. Clearly, you have made a very accurate assessment. I took some time in the district during the August recess to visit several of the facilities, including the public hospital system. They offered to say that there would be an enormous burden, particularly as it relates to the teaching aspect. Our public hospital system has been a very strong component of our medical education training. Those leaders for that community indicated this would have a dastardly, devastating effect on them.

Let me leave you with one point before we yield to the gentlewoman from Connecticut. There is some discussion that the GOP claims that senior citizens will not mind paying more to save the trust fund. But not one penny from the increased part B beneficiary cost would help the Medicare trust fund. That is why we need the hearings.

I think we need to come from underneath the cover of night that I have been saying. One day seems to be extremely difficult to understand, where you would get any facts. The facts need to be on the table. What are we trying to save? Where is the money coming from, and what will it go into? Those answers are not yet on the table. I think the point is well taken.

Mr. DOGGETT. I yield to the gentleman from Pennsylvania for a question.

Mr. GREENWOOD. I certainly had not intended to participate in your discussion tonight. I was at my desk in my office listening to the discussion on Medicare. It is an issue I am greatly interested in because, as you may know, I am one of eight Republican Members of the task force that has been spending the last several months writing this reform package.

I came over to ask if you were interested in participating in a little bit more of a bipartisan discussion which I think might be more informative to the American people, particularly our seniors, than kind of a one-sided, partisan review of things?

I offer myself here as somewhat of an expert on the package since I helped to draft it and would like nothing more than to help have a real debate and a real discussion rather than kind of a one-sided affair.

Mr. DOGGETT. Certainly. In fact, just in response to that, I appreciate your presence. I have been one who had been hoping that Members of the Republican Party would come. Our Republican colleagues could use time like their special order time and use the opportunities we have here to speak and outline the details of the plan that you are advancing. More importantly, I think it is important for us to come together and reach a bipartisan resolution to this problem.

There are some areas that we have common agreement on: fighting fraud and abuse within the Medicare System, working to improve the Medicare System. But I think the problem has been, and I do not say this is necessarily an individual problem between you and me, but the problem has been one of from where we start in this debate.

This debate began back in the fall on the Committee on the Budget. People came and said, after a series of secret task force meetings, we need $270 billion out of the Medicare System. It began not with how can we improve and strengthen that system but where can we get the money from the Medicare System to do some other things that do not have anything else to do with Medicare?

Mr. GREENWOOD. I will be happy, in the spirit of bipartisanship, I will pose it in the form of a question. Would the gentleman not agree that the discussion on Medicare began when the trustees report consisting of three members of President Clinton's Cabinet, the trustees issued a report, and in that report they indicated that part A of the Medicare program, the hospitalization fund, goes broke in 7 years?

This year we are taking in more money than we are spending for Medicare. That is good. But next year we begin to spend more money than we take in. There is no dispute that it goes bankrupt in 7 years unless we do something.

Mr. DOGGETT. I would like to respond to that because I am so very pleased that you raised it. The impression that has been created over the last few months and certainly in the last few days is that, if we do not rush through what I think is fairly referred to as the pay-more-get-less plan, that suddenly this system will go broke and no one will have anything. I do not think that could be any further from the truth.

If this Congress did not act, I am not advocating that, I would like to see action, there is going to continue to be a strong Medicare System next year and for a number of years to come. There is no reason that this has to be rushed through with 1 day for hearings. But I do want to respond fully to your observation, because it is one of the most important.

With reference to the Medicare trustees report, you will recall in the Committee on the Budget, in the early part of this year, I pointed out that the report we got in the spring for this year was verbatim, the report that we got, I think with one or two words difference, last year.

Our party was concerned long before I got to Congress in addressing this problem. This trustees report is not anything new, nor does it provide a justification for raising premiums on part B. There are, as the gentleman well knows, an A part and a B part. And raising premiums in part B, as apparently is being proposed, is not going to do anything to strengthen this fund.

In fact, I think one of the real problems with the approach that many Republicans have advocated at least quietly in the halls and the back rooms of this Chamber is that they want to increase premiums, deductibles, and the like with reference to part B. We could raise them 1000 percent instead of just 100 percent, as has been advocated, and it would not make the Medicare trust fund one penny more secure than it is tonight.

So this use for the Medicare trust fund report is really very deceptive in terms of giving and misleading the American people into thinking that we have a crisis that demands rushing through a bill that is not being done to secure the Medicare trust fund.

Indeed, the other point that has to be made, and I think it is a very important one, is if there was real concern about the security of the Medicare trust fund, surely our Republican colleagues would not have come through with one of the provisions in their so-called Contract With America to actually take money out of the trust fund, with the changes that were made last year, to provide tax revenues to help protect and advance and secure that fund. Yet that is exactly what has happened.

All that our Republican colleagues have done so far, other than this generally veiled plan, in the legislation this House has approved over my objection, is to weaken it and have less money available.

I yield to the gentlewoman from Connecticut.

Ms. DELAURO. I think that this is such an important issue that it deserves a bipartisan discussion and debate.

I will say, first of all, that we have tried to engage in that effort, and we are seeing 1 day for hearings on changing probably the most important piece for legislation that we have, a major, major change, really a reconstituting of the Medicare System in a way that we have not seen in the past. It is an absolute fundamental change in the system.

Looking at this system, potentially turning it into a voluntary system, potentially privatizing, which is what the direction is going, and we have 1 day for hearings. So let me just say this to the gentleman. The fact of the matter is that you have been engaged in writing a plan that no one knows about. I want to go back to the last session of this Congress, where the whole issue of health care reform was not only on the table for debate in the public sector, of debate for almost 18 months in this body. Before the Committee on Ways and Means there were 14 days of debate on the health care reform bill.

The Republican leadership has determined that we will see 24 hours and, quite frankly, for a plan in which in yesterday's Washington Times the chairman of the Committee on the Budget has expressed uneasiness, fear that the plan falls about a third short for what your goal is, which is to cut $270 billion from Medicare, and does not want to engage in smoke and mirrors but is fearful, if you read the same news that I am reading, that in fact that is what is going to occur.

Mr. GREENWOOD. Mr. Speaker, the Committee on Ways and Means alone held 38 hearings on Medicare reform, and the Committee on Commerce on which I serve also held a number for hearings. I cannot enumerate them for you.

But if I may finish, one of the things I think the American people will be interested in, that is to what extent my two colleagues from the other side of the aisle are truly interested in an open dialog in which the truth comes out. The extent to which you are willing to engage me this evening in discussion, if you want to have, use 99 percent of the time to make unchallenged statements, then I think the American people will say: Gee, I do not think they are really interested in an open discussion in which both sides are presented. So, show the American people that you really are interested in bipartisanship and debate, and let us have a discussion.

Ms. DELAURO. I would like to also go back to say that there has been, first of all, we have heard about the plan. There are very few details about the plan.

Mr. GREENWOOD. I have them all. I am an open book.

Ms. DELAURO. You may be an open book, but let me tell you about the Congressional Budget Office, which says the following, and this is quoted yesterday:

The details, until the details fully emerge, the Congressional Budget Office, the bipartisan Congressional Budget Office, Congress's economic analyst, will not be able to certify the savings, and the GOP plan will have a gaping budgetary hole.

I am not saying this. But the Congressional Budget Office is saying it, and more importantly, until there are details, if you are going to hearings this Thursday for 24 hours to debate the most significant change in one of the most significant pieces of legislation in this country, if the Congressional Budget Office cannot act on it, if no one else has the details of this effort, if the American public does not see the debate because what you want to try to do is to cover it up in 24 hours and get this done, I do not—why are we doing this? The American public has a right to know. There are several questions that are critical.

You asked about questions that ought to be asked. If the Republicans are truly interested in the solvency for Medicare, why is the solution to raise premiums on beneficiaries, premiums which in fact, as my colleague from Texas pointed out, do not go into the trust fund? That is the cruel hoax, because seniors are confused.

□ 1845

The cruel hoax here is that we are talking about trying to deal with the Medicare trust fund and making sure it is safe and secure, and there is $270 billion that is not going into the trust fund.

Mr. BONIOR. Mr. Speaker, will the gentleman yield?

Mr. DOGGETT. I yield to the gentleman from Michigan.

Mr. BONIOR. Not only is this money not going into the Medicare trust fund, our Republican colleagues about 4 months ago, and we had the tax bill before us on the floor, took $89 billion out of the trust fund to pay for the tax bill. So not only are they not dealing with this in a fair, rational, sacrosanct way in terms of the commitment that was made and the contract that was made between seniors and its government with regard to Medicare, but they raided the fund of $89 billion 4 months ago in order to pay for a tax cut for the wealthiest people in our society.

Mr. DOGGETT. Mr. Speaker, I want to respond to the gentleman's comment about the number of hearings that have been held, because we went through the same problem with the budget resolution, where one ''think tank'' person after another was brought in to talk in theory about the budget, but no hearing was held on the specific proposal. To date, we have not even had the gentleman or one of his colleagues come down here and outline the proposal and say how much higher the premiums will be, how much higher the deductibles and copayments will be, and the other changes.

It is hard to have a really meaningful hearing, or for that matter, a really meaningful bipartisan debate, in which the gentleman has said he wishes to engage tonight, without having the details of that plan laid out before us.

Mr. GREENWOOD. Mr. Speaker, will the gentleman yield?

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

Mr. GREENWOOD. Mr. Speaker, I thank the gentleman for yielding to me for a question.

My question is this: If in fact what the gentleman would like to do this evening with his time on the floor is to inform the American people, particularly our seniors, so they can make an evaluation about how they feel about this plan, will he not engage me? There are five of you, there is one of me. I am one of the drafters of this. I am happy to stand here all evening and answer questions and debate fine points as to what we should do, but I am going to repeat myself. The American people look at you and say, ''Those five Democrats are not going to let the Republican who is one of the drafters of the bill have very much time at the microphone. I guess they do not want to hear what he has to say. I guess they do not want to know what is in this plan.''

Mr. DOGGETT. I would be glad to have not only one of you, but 100 or 200 more here to debate fully and thoroughly. But I am concerned that what is going to happen, given the example of limiting these hearings to 1 day and 1 day only, that the idea will be to compress the real debate that occurs, once we have all the details of the plan, into the same limited time so people learn as much about it or as little about it as possible.

Perhaps the gentleman could tell us why there is 1 day and only 1 day of hearings once the plan is outlined, if he is indeed interested in a bipartisan presentation.

Mr. GREENWOOD. If the gentleman will continue to yield, as I said earlier, the committees of jurisdiction held dozens of hearings covering hundreds of hours on this issue.

Mr. DOGGETT. But not on this plan.

Mr. GREENWOOD. Number two, there will be hearings. Number three, we approach the end of the fiscal year, as my colleagues know. We are trying to deal with this issue in this fiscal year. The President of the United States has said that we need to reduce the growth in the Medicare program in the coming fiscal year by $124 billion, if we use the OMB budget line. If we use the CBO budget line, the budget line we are using and that the President encourages us to use, that is closer to $194 billion, so the gentleman said earlier that he wants to think about where we can agree.

Where there is not disagreement among honest brokers in this issue is that the President of the United States and the Republican Party believes that at least $190 billion needs to be reduced from the growth of spending in this program. So if you want to start from there, we can have an honest discussion.

Mr. DOGGETT. Reclaiming my time, Mr. Speaker, my question to the gentleman is, why is it that you are having only one day of hearings? And his response is, we are having hearings and it is near the end of the fiscal year. The hearings he is having are taking less than 1 day. The reason we are near the end of the fiscal year is that he has drug out throughout the course of this year this proposal. He still has not come to the floor of this House and outlined the details of the proposal, and proposes to rush it through on the eve of the close of the fiscal year, not because we have a crisis, but because I genuinely believe our Republican colleagues want the American people to know as little as possible over as short a time period as possible what this plan really does.

Mr. HEFNER. Mr. Speaker, will the gentleman yield?

Mr. DOGGETT. I yield to the gentleman from North Carolina.

Mr. HEFNER. I would just like to make a couple of observations. The gentleman said we are not sincere about doing something about Medicare, looking after senior citizens. I would just urge the gentleman to look at the track record.

Mr. GREENWOOD. I did not make those comments.

Mr. HEFNER. That was the inference I drew. Let me make one thing perfectly clear. If it is your purpose to cut $270 billion over 5 years, and then the Committee on the Budget chairman said today in a seminar that he came and spoke at, our seminar, that we have paid for the tax cut, it is bad enough that you frighten senior citizens, and the Speaker of this House, that says that Democrats have demagogued and terrified senior citizens, I am a senior citizen, and the last thing in the world we need, senior citizens, to be frightened about is health care.

If you spend very much time in your district office, you have these precious souls that come into your office, and their biggest concern is to make a decision whether they are going to be able to pay their rent, their water, or their lights, or have their prescriptions filled. Then when you talk about the changes in Medicare, even minimum, just a few dollars a month, to us a few dollars a month is not much, but for that senior citizen that is living on a fixed income that increase in premium is tremendous, $7 or $8 or $10 a month.

Then you are going to have a look-back provision that says, ''Hey, if these things are not coming up, we are going to have to look back,'' and you are going to look back to the same people that you are going to come to again. The last thing in the world that the senior citizens need in this country is another hassle as they get into their declining and sunset years.

If you want to look at the track record, there is not a living Member of this House or the Senate that was here when Medicare passed that supported it. The tax cut is going to be $240 billion. It is not paid for. It is bad enough

that you do this to Medicare and to senior citizens. At least you could have the decency to apply it to the budget deficit. It goes directly from Medicare, and it goes directly to a tax cut for Members of Congress, for some of the wealthiest people in this country. I am a senior citizen. I would a lot rather have the comfort of having my Medicare than to have a few dollars tax cut.

Let us just look at the track record of the Republicans on Social Security and Medicare. The first budget that Ronald Reagan's budget director brought to this House, David Stockman brought a budget to this House, and it called for a $125 a month cut in the minimum Social Security for our oldest, sickest senior citizens, $125. It was going to completely erase that from the Social Security payment. It caused such a ruckus and uproar that it was quickly withdrawn.

The record is not good. You have not supported Medicare. You were not here, and I will give you the credit for that, but no Republican supported Medicare. This is not something that has paid for a tax cut. You are using Medicare cuts, and why not be honest about it and say, ''This is our philosophy. We want to make these cuts and we want to use these cuts to pay for tax cuts for our agenda.'' At least have the decency to say that. In road shows all over this country, the Speaker has gone all over this country in road shows talking about ''We have paid for the tax cut, and we are going to give the senior citizens more choice. We are going to allow you to be sick up to $4,800 a year. After that we have to make some adjustments.''

Mr. GREENWOOD. The gentleman is misinforming the House. I would be happy to correct him.

The SPEAKER pro tempore (Mr. GUTKNECHT). If the gentleman would suspend, I would remind the participants that the gentleman from Texas [Mr. DOGGETT] controls the time.

Mr. DOGGETT. I have yielded for a comment to the gentleman from North Carolina [Mr. HEFNER], and I will continue to yield to all of those here for questions and observations, but I would ask that you have the opportunity to finish, and that the rules of the House be enforced, and that we have regular order, if the gentleman would proceed.

Mr. HEFNER. The matter of fact is, and it is so evident if you listen to the arguments and listen to the numbers, $270 billion in Medicare cuts, $240 billion in tax cuts that go basically to the most privileged people in this country. if that is your philosophy, be proud of it. But it is not paid for. If it was paid for, it was paid for out of student lunch programs and from Medicare, and it came from the most vulnerable people in this country.

If that is your philosophy, be proud of it, but do not disguise it and say we have paid for the tax cut and senior citizens are going to get more choice. I can imagine me going to a carrier and saying, ''I want to buy some insurance.'' You are going to give me a voucher. I go to an insurance carrier and say, ''I have had heart disease. I have had open heart surgery.'' They are going to laugh me out of the office. The voucher is going to be no good for me.

We are not frightening senior citizens across this country, as the Speaker and everybody has said, we are telling the truth. It scares the devil out of them, and it should. We should tell the seniors the truth and let them know what they are in for, at least tell them the truth, because at least maybe they can prepare for the worst to come, and it is going to be some bad times for senior citizens in this country if this Medicare package passes.

Mr. DOGGETT. Mr. Speaker, we use tonight as an opportunity to share with colleagues across this House, because we are being denied an opportunity to have a full and fair debate in committee this week, so I yield to my colleague the gentleman from Michigan [Mr. BONIOR] for any questions or observations.

Mr. BONIOR. I thank the gentleman for yielding. I just want to follow up on what my colleague, the gentleman from North Carolina [Mr. HEFNER], said when he talked about the question of scaring our senior citizens today.

What is going on here is just an outrage with respect to the scare that has been put into these people by these proposals that have been offered by my friends on the other side of the aisle. I will tell the Members what is scary, Mr. Speaker. Scary is a 76-year-old woman who lives basically off of Social Security. Maybe she has a few pennies more than that. She has to pay for her heat, she has to pay for her rent, she is going to have a few pennies left over for her other odds and ends. Then she gets up, reads in the paper, hears on the radio or watches on TV, that her premium is going to be doubled from $46 a month to $90 a month.

Then she hears from the Senate Republicans that her deductible is going to be increased from $100 a month to maybe $150 to $250 a month. Then she hears and reads and sees on her TV that the House Democrats want to cut Medicaid by $82 billion. Sixty percent of Medicaid goes to older people in this country in the way of nursing home care.

Mr. DOGGETT. That the House Republicans want to pass.

Mr. BONIOR. The House Republicans. No wonder she is frightened. No wonder they are frightened and scared out there. They ought to be, because we are talking about huge amounts of money out of their pocket for basic health care, out of their Social Security check that is going to shrink every month. They ought to be scared and outraged because of the formula that is being devised here to shift that money to the wealthiest people in our society in the way of a tax cut.

Mr. Speaker, one might say that this is not a trend, it is something that the Republicans are just bent on doing. But today in the Committee on Ways and Means the Republican majority is talking about doing the same thing to middle-income people. They want to put a $1,000 tax increase on middle-income people, people making up to $27,000 a year, just today, the so-called earned income tax credit for middle-income folks. So it is not just happening to seniors, it is happening to middle-income people. They are after your pensions, they are after your health care.

What we are finding is this gap that is growing in this country between the wealthy in our society and the rest. The chasm is growing deeper and it is growing wider. It is time that people stood up and said, ''Enough of this extremism, enough of this move to the far end of the political spectrum with respect to the economics of people.'' Medicare is too important of a sacred trust, a sacred trust that was made between the government and its people back in 1965, when we had tremendous percentages of poverty among our seniors. We have reduced that poverty tremendously as a result of Medicare. Now we are going to find ourselves in a situation in which our seniors and their children, who will be required or are obligated or duty-bound to pick up this tab for their parents or grandparents, are going to be pressed as well economically. I thank my colleague for his comments.

Mr. DOGGETT. I have just one response to the gentleman's observation, because I think it is an important one. That is that there may be some younger people that are watching and observing the debate going on across our Nation over Medicare, feeling that they do not have a stake in this. As you pointed out, many of those young people at the beginning of their earning power, working people in this country, the folks out there working for an hourly wage, are about to get hit with a tax increase by the Committee on Ways and Means under the Republican leadership.

☐ 1900

But they also stand in the course of this Medicare debate to suffer as well. One recent study that was done by Lewin VHI has pointed to the danger of cost shifting as a result of this Medicare plan and has suggested, and I quote, that lost wages in increased premium contributions would equal about $1,000 per covered worker over the 1996–2002 period.

So those same workers that we are talking about, that are about to get a Republican tax increase with the changes being made in the Committee on Ways and Means, are also people that stand to lose about $1,000 from cost shifting under one study because of a Medicare plan that is being done in isolation from the rest of the health care problems of this country. That may simply cause hard-pressed hospitals and health care providers to shift more cost to those who are under

65 to try to recoup some of the losses that will occur to them if this plan goes into effect.

I know my colleague from New Jersey has arrived and that he has a number of questions and has spoken out eloquently on this subject. I yield to him.

Mr. PALLONE. Mr. Speaker, I just wanted to thank the gentleman from Texas again for doing this special order tonight. I really will say once again that that chart that he has up there that says ''the GOP Medicare plan, pay more and get less,'' really says it all.

This is what the seniors are increasingly telling me in my district and throughout the State of New Jersey. They understand that this is nothing more than a tax increase and a reduction in services.

You cannot take the amount of money that we are talking about here, a $270 billion cut in Medicare—and I also notice that the rest of my colleagues talked about the cuts which are, I think, $180 billion in Medicaid as well—you cannot take that level of cuts in these programs without either reducing the quality of service or charging senior citizens more for what they are getting for health care.

The reality is that what the Republicans are talking about essentially are doing both, because they have already told us. I know my friend, the gentleman from Michigan [Mr. BONIOR], mentioned some of these things before. We have already heard about at least three possible implementations of this Medicare cut that would increase costs to seniors and in effect amount to a tax increase.

One is on the Senate side, the increased co-payment, I believe, for Part A for hospital care from $100 to $150. We have heard about the Gingrich proposal with regard to Part B that pays for physician services, that in essence doubles you premium for Part B over the next 5 to 7 years; and we have also talked about means testing.

I know that there has not been a lot of discussion in general about means testing, but this idea that we are going to charge wealthier people more for their Medicare premiums, for their Part B premiums, to the point where at some point they would not have any subsidy, would have to pay the whole cost of their Medicare premiums, well, right now the Republican leadership is talking about a $75,000 threshold for that. In other words, you would have to be making at least $75,000 before they start charging you that tax.

But the bottom line is, I know from my own experience and I have seen it in the State legislature and here in Congress, those thresholds start to go down very quickly when the Republican leadership of the Congress is looking for extra money. So do not be surprised, New Jersey residents or Americans, if next year it is 65 and the following year it is 50 and then it drifts down to 40. I have heard some of my colleagues already talking about a $35,000 threshold.

We know that there is a huge gaping hole here. On the one hand they have these various tax increases which I just mentioned. On the other hand they have cuts in providers' fees, cuts in the amount of reimbursement that is going to go to hospitals or other health care facilities.

Those things are going to result in less quality care. The hospitals in New Jersey, we have already identified through the New Jersey Hospital Association 76 hospitals that are on the critical list, that if they have any significant, and I am not talking about the level of cuts that we are talking about here but any significant cuts in Medicare or Medicaid, some of them are going to close and a lot them are going to significantly reduce their services.

But beyond that, beyond paying more for those taxes, as the gentleman from Texas said, beyond getting less because of the quality of care and because hospitals and other providers are going to reduce the services that are available, we still have this gaping hole which we know that the Republicans are saying, ''Well, if all this doesn't squeeze enough money out of this system, then in a few years if we find out that we haven't saved enough, then we're just going to have to go back to the drawing board and come up with either more tax increases or more cuts in services.''

What is that going to mean? Again, it is going to be more tax increases. You will see those premiums for part B going up even more. You will see that means-test threshold going down. You will see those co-payments or deductibles increasing, and at the same time you will see less and less money going to the hospitals and going to those who are providing the services.

There is no way to provide this level of cuts, to make this level of cuts in Medicare and also Medicaid, without having to pay more and get less, just as the gentleman says. I think that the Republicans and the leadership should fess up and say, look, this is a major tax increase, this is a tax increase on seniors that is going to pay for a tax cut for a lot of well-to-do Americans.

They might as well admit it because every day we see, as this unfolds, and it has not unfolded completely, there are still a lot of details that we have not gotten, but as it unfolds we see more and more that that is the bottom line and that is what we are getting.

I just wanted to congratulate again the gentleman from Texas and the gentlewoman from Connecticut for putting this together, because we have got to bring that point home.

Mr. DOGGETT. Mr. Speaker, I yield for a question to the gentleman from Pennsylvania.

Mr. GREENWOOD. That is very kind of the gentleman, and I appreciate it.

Mr. Speaker, with all due respect the amount of disinformation that has been brought forth this evening by my colleagues on the other side is breathtaking. Let me just correct a series of them very quickly.

There will be no increase in deductibles. There will be zero increase in deductibles. There will be zero increase in copays. The part B premium, which is at 31.5 percent for senior citizens today, will remain at 31.5 percent for senior citizens into the foreseeable future. That slight increase which seniors have received each year will be more than overcome by the COLA in their Social Security. They will be paying what they are paying today.

Second, with regard to the part of your poster there that says get less under our plan, every single senior citizen in America will be able to, next year and the year after that and for the next 7 years, be able to retain precisely the fee-for-service Medicare plan that they have today with every single benefit that they have today. There will be no change whatsoever. They will continue to pay 31.5 percent of the part B premium, and their friends and neighbors and children will pay the balance for them. In addition to that, they will have more choices.

Mr. DOGGETT. Reclaiming my time, I am so pleased to hear those comments from the gentleman tonight, because everything you have assured us that this plan will not do is what as you know one newspaper after another has reported was the plan of the Republican task force before last week. Thank heavens we are having some impact in educating the American people about the dangers of this Republican plan. Apparently there are at least some members of the Republican Party that are backing away from raising deductibles, not in the U.S. Senate where they propose to double them under the Republican Senate plan. There are some who may be backing off copayments.

The problem is, as the gentlewoman from Connecticut has pointed out with yesterday's Washington Times, hardly a mouthpiece of the Democratic Party, that you have a giant gap in your plan. That giant gap is proposed to be filled by what you call a look-back provision.

That means that at the end of the year, if you do not get the savings necessary to get the tax break for the privileged few, you are going to have some bureaucrat in Washington reach back and cut in the program. When that cut occurs, it is going to be even more difficult for people to find a health care provider that will provide them Medicare.

I know from my own community that there are many citizens right now that have difficulty finding a provider that will take Medicare. Fortunately you did provide some detail last week, and I am referring to the House Republican leadership packet, the so-called information packet, which is a bit of a contradiction because there is not much information in it, but in that packet you said that it was a myth that you would chase doctors out of Medicare.

Your answer, though, was that doctors today are turning away Medicare patients, which is true, and that doctors under your plan could choose to participate in what you call Medicare Plus. But Medicare Plus is not the Medicare system that people have relied on for the last 30 years, and which you say you would continue to give them the right to participate in. I do not think the Republican Party, tonight or in their so-called information packet or at any other time, has provided any genuine assurance to the American people that they are not going to be forced out of a Medicare system, and whether they are going to have providers who will provide them Medicare in the traditional way.

I yield to the gentleman from North Carolina.

Mr. HEFNER. I would just like to make a point. I know the gentleman's intentions are good. You can give us these numbers, but you do not know where the money is coming from. You do not even have the total numbers on all where this money is coming from or how you are going to pay for it, as late as today. You can give these assurances, but delivering them is another thing.

Where is the money going to come from? All these assurances that you have given to us here tonight, if you can give us these assurances and put our mind at ease, why do we not have an extensive debate, something at least as long as the Waco hearings or the Oklahoma hearings or what have you, and let the American people, the senior citizens, sit before the television and assure them? We will see who they believe and see whose record speaks for itself over the years. Let our backgrounds, let the history speak for itself. But the assurances that you give us, you cannot guarantee that. And your party cannot guarantee that.

Mr. GREENWOOD. If the gentleman will yield to me, I can.

Mr. DOGGETT. I yield to the gentlewoman from Connecticut.

Ms. DELAURO. I have a lot of respect for my colleague. We have worked together on a number of issues. I would like to believe and I think the American public would like to believe what you say.

Again, just yesterday in the Washington Times, it says that—

The Congressional Budget Office will not be able to certify the necessary savings and the GOP plan will have a gaping budgetary hole. Senior GOP aides said an even larger problem is that a preliminary CBO analysis has revealed Republicans will glean little more than $30 billion from one of their most highly touted reforms, allowing seniors to enroll in health maintenance organizations instead of staying in Medicare's traditional fee-for-service program. Republican aides also said they foresee little savings from the malpractice reforms. The CBO also questions savings from reforms aimed at curbing waste, fraud and abuse. That leaves Republicans in a difficult position. They had been counting on saving as much as $80 billion from such reforms. A shortfall of that magnitude would reduce payments to doctors and hospitals each year by about $18 billion.

The look-back provision is buying a pig in a poke. You do not know if you take a look and your savings are not realized, you are going to go back after people again. We had this debate and discussion last night.

Mr. GREENWOOD. I would love for you to yield because I could give you wonderful answers to your questions if you are really interested in the truth.

Ms. DELAURO. Let me just say to you that when you cut back in the same way that you did in the Medicare Program, and we know that there are lower fees on reimbursements to doctors and hospitals, that you are doing the same thing in the Medicare system where it is not going to be just cuts to the providers.

We all agree that there can be cuts to the providers. I could not stand here and say that we could not do that. On the other hand, what you will see, you will see a cut in services. You will see a cut in the quality of care that is being delivered to our seniors.

Let me make one other point. There are some members of the other party that are trying to move away from their leadership. They are being quoted all over this country.

In Fresno, CA, one of my colleagues was heard saying, and this is a quote, one of my Republican colleagues: ''We are concerned about saving Medicare at least for the next 15 years.'' Beyond that, he says he cannot commit to continued support from the Congress. Make no mistake about it. The plan is to end Medicare as we know it.

One of our colleagues in Maryland, when he went out in terms of his road show this weekend, one of his constituents asked, ''Why are you offering tax cuts, while you're increasing the cost of Medicare?'' The Congressman's response was, ''Wouldn't you rather sing My Wild Irish Rose?'' I am not making this up. This is his quote. When you cannot defend your position, you change the subject.

There are a lot of questions that are unanswered. I would ask the Republican leadership the following questions: If you are willing to have hearings, will you support the Dingell resolution that calls for 4 weeks of hearings in this body? If you are so interested in saving Medicare, are you willing to take the tax package off the table? Those are the questions that have to be answered.

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Mr. DOGGETT. I appreciate your questions, and I have only about a minute left, but I would yield for observation briefly to my colleague from Texas.

Ms. JACKSON-LEE. First of all, I am gratified that we attempted to have a bipartisan discussion, and I think it is important that we evidenced by this discussion that we need 4 weeks.

Lastly, the sickest of our seniors will be left without any coverage or at least without a sense of being able to have the best coverage. The system is not bankrupt. There is a life of 7 years, and there has always been a life on the Medicare system. That is the reality that we should teach the American public to get to national health reform.

I thank the gentleman from Texas.

Mr. DOGGETT. Mr. Speaker, I thank all of my colleagues for participating tonight, and particularly my Republican colleague from Pennsylvania, Mr. GREENWOOD. Under the procedures of this House, he and his party now have a full hour in which to present their plan, and I hope they lay it out line by line so that the American people can see what is in this plan.

They have yet to lay it out, perhaps, to some of their own Members who do not understand the details, and as the morning's papers seem to indicate, do not know, themselves, how they are going to fill the great void that is there in their plan, and how it is they are going to provide a $270 billion cut in Medicare, without demanding that America's seniors pay more and get less.

We need a full and thorough debate; not just in their forum tonight, but with a series of hearings and a full open rule when this matter comes before the House. I hope the presence of my Republican colleague here tonight is an indication that the Republican leadership is going to change its ways, just as he says they have changed their ways on some of the increases that they were originally contemplating in taking out of the pockets of our senior citizens, that they will change their ways and that they will not fade the heat any further from the American people, but will instead give us a full, fair and open debate in committee and on the floor of this Congress.

If we do that, if we have the kind of bipartisan exchange, then the American people will know what is about to happen to them. They can understand the full consequences of having to take from seniors in order to afford a tax break to the most privileged few in our society.

Mr. Speaker, I hope that we will see that happen and hope that our Republican colleagues in the hour that they now have, will indicate to the American people that we will have that kind of full, fair and open debate, unrestricted in terms of time, unrestricted in terms of amendments, so we can really get about the job of improving and strengthening the Medicare system instead of taking away from it.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1883

Mr. WELDON of Pennsylvania. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 1883.

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

There was no objection.

AMERICANS ARE NOT BUYING THE ''CHICKEN LITTLE'' STORY OF THE DEMOCRATS

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

Mr. WELDON of Pennsylvania. Mr. Speaker, I have been here 9 years, my third term, and I take great pride in working in a bipartisanship manner on a number of issues. On the Committee on National Security on defense; on environmental issues, through the GLOBE organization; on energy issues; labor issues; and issues affecting working people as well as natural and man-made disasters, reaching out to both sides of the aisle to reach common consensus.

Mr. Speaker, after listening to what I heard for this past hour, and what I heard last night, I have to change the tone of my speech tonight. I would hope perhaps that some of my colleagues who are rushing out the doors will stick around for 5 minutes to hear what I have to say.

We have heard the story about Chicken Little, that the sky is falling. We heard that from the Democrats when they said, under Ronald Reagan, that Republicans were going to end the Social Security system. We heard that from the Democrats and from the President when we announced our child nutrition program, and they were proven wrong again. And then we heard the same argument from the Democrats on the student aid debate, and then we found that there are, in fact, no cuts being proposed for student aid.

Now, Mr. Speaker, we are hearing the same tired, worn out arguments on Medicare. Mr. Speaker, even senior Democrats nationally understand what is going on here. Let me quote, for instance, Democratic Mayor of Chicago, Bill Daley. He recently told The New York Times, and I quote Democrat Mayor Daley, ''The only message we have got is the same one we had in November: The Republicans are going to cut Social Security and Medicare. People look at it and say, Forget it. We do not buy that. The sky is not falling.''

Mr. Speaker, this is Democrat Mayor Bill Daley of Chicago saying that this is nothing more than the same old tired message attempting to scare people. The same thing we heard against seniors 4 years ago, against students and kids earlier this year. In fact, Mr. Speaker, the people of America are listening to what we are doing and they are responding in overwhelming numbers.

Let me give you some facts and statistics, and I will be happy to provide them to any of our colleagues who would like to come forth and ask for them. Since the Democratic convention in New York City 3 years ago, the Democrat party has lost a total of 685 Senators, House Members, Governors, State Senators and Representatives. That is 685 in just 3 years.

As a matter of fact, Mr. Speaker, last Friday, September 15, in Vice President GORE's home State of Tennessee, 2 Democrat Senators switched parties. Senator Milton Hamilton, Jr., and Rusty Crowe. When they switched to the Republican Party, they turned the Tennessee State Senate Republican for the first time since Reconstruction.

Now, is this an exception? Mr. Speaker, since Bill Clinton took office, 132 publicly elected officials have switched parties. Zero have switched from Republican to Democrat, and yet 132 have switched from the Democratic Party to the Republican Party. None have switched the other way.

In fact, 37 Members of Congress who were Democrats since Bill Clinton took office have either resigned or announced their retirements to date, and more will follow.

Another five, 2 U.S. Senators and 3 House Representatives, have switched to the Republican Party. An average of almost 1 Democrat U.S. Senator per month since Bill Clinton took office has either retired, resigned, or switched parties.

Mr. Speaker the American people are listening and when we get beyond the Beltway, the breeze that is blowing across America is unbelievable. The American people are seeing beyond the type of demagoguery and rhetoric that we heard tonight and last night on the House Floor.

In fact, in Georgia just 2 weeks ago, the first female district attorney switched parties. Lone rising star in Georgia, Cheryl Fisher Custer, switched to the Republican party. She said, ''There is a growing sentiment in this country that there must be a fundamental change in government. I believe that the Republican party offers the best opportunity to effect that change and bring about responsible, common sense government.''

Custer was the seventh Georgia Democrat elected official to switch to the Republican Party this year alone.

Let us go beyond. It is not just the South, Mr. Speaker. Let us go up to Maine and look what happened in Maine back in August. Maine Representative Edgar Wheeler switched parties. He became the 113th Democrat to switch since Bill Clinton took office.

Mr. Speaker, this is what he said: ''For several years, I have felt out of tune with the Democratic Party, and during my first year as a legislator I recognized how far apart I really am from the party.''

Mr. Speaker, all across America, beyond the Beltway, the people are speaking loud and clear. They are rejecting the Chicken Little story of the Democrats and they are understanding what we are doing and that is bringing some common sense back to this hallowed.

TOPICS OF IMPORT REGARDING REFORMS IN CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 60 minutes.

Mrs. SMITH of Washington. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GREENWOOD].

MEDICARE REFORM

Mr. GREENWOOD. Mr. Speaker, I thank the gentlewoman for yielding and I will not take much of the time that she has reserved.

The gentlewoman may know, I was back in my office and some of my colleagues from the Democratic Party took to the floor and began to give such a tirade of incredibly breathtaking misinformation about Medicare reform, that since I am one of the 8 members of the Republican task force drafting the new plan, I felt compelled to come over here and set things straight. My friends would not yield me much time, and so I appreciate the gentlewoman doing so.

Number 1 thing that our colleagues from the other side of the aisle did not want to go into very much is the fact that the trustees of the Medicare program, part A, and those trustees include three Members of President Clinton's cabinet, issued a report back in the early part of this year. That report indicated that Medicare, part A, is in trouble.

The program is paid for by payroll taxes and this year, fortunately, we have more than enough funds to pay for that program. But next year we start to spend more than we take in, and in 7 years there is no money to pay senior citizen health care costs at all. The program goes broke.

We cannot let that happen. The President of the United States has agreed with that and, of course, what the other side did not mention at all is that President Clinton has suggested, has recommended in his budget document that in fact we need to do something about the outrageous, unsustainable inflationary rates in our Medicare program.

Medicare costs are going up by 10 and 11 and 12 percent a year, and there is no need for that. In the private sector, health care costs have all but leveled off. And if we continue to waste money in Medicare by continuing to have those 10 and 11 and 12 percent increases, we are foolish and we are wasting the taxpayers' money and we are doing nothing that values our senior citizens.

So what are we going to do? We are going to try to work together in a bipartisan fashion and here is what we are going to try to do. It is really quite simple. Our plan will ensure that every single senior citizen in America on Medicare, as well as those who are disabled, will have the option to stay exactly where they are. They will continue to receive what is called fee-for-service health care.

Mr. Speaker, that means they can go to the doctor of their choice when they choose and Medicare will pay all their

bills. If they go to the hospital, Medicare will pay all of their bills just as it does now. Their cost for part B premium will stay just as it is now at 31.5 percent of the cost. And, as seniors know who have been on Medicare for some time, as the program inflates a little bit, that 31.5 percent costs a little bit more each year, but their COLA, the social security cost of living increase, more than compensates for that. Their Social Security check will be bigger next year than it is this year.

We are going to increase the amount of dollars that we spend on average for a Medicare beneficiary in this country from $4,800 a year this year to $6,700 a year in 7 years. And I need to repeat that, because all of this talk about cutting Medicare is outrageous. Listen again. We are going to increase, the Republican plan increases what we spend on average for each and every Medicare beneficiary, our moms and dads and our grandparents, from $4,800 per year per beneficiary this year, increase it 5 percent each year for the next 7 years for a total increase of 40 percent, up to $6,700 per year.

Then we are going to create some exciting new options for our seniors. We are going to make it more attractive for insurance companies to offer managed care. Managed care programs are programs where the managed care company tells you what your network of doctors will be, and if you want to get into that network, you can benefit from some of the additional benefits that they can offer you.

My mom and dad are in their middle-70s, on the low side of mid-70s, Mom, but they have chosen on their own to go into a managed care program and they love it. They no longer have to pay Medigap costs. They have a new prescription drug program. Their doctors are in their network and they get all of the referrals they need and they are very happy.

In the Republican plan, those seniors who want to gain those benefits and achieve those savings will be able to go into managed care and if for any reason their circumstances change or they are not happy with the plan, they simply opt out and go back into the fee-for-service program.

Mr. Speaker, I am very, very confident of the fact that later on this week when we unveil the Republican Medicare improvement plan, that the senior citizens of this country will like it and like it very much. They will understand that what we have done is not raised their deductibles, not raised their co-pays or limited their options, but in fact continued to give them the same first class health care program that they enjoy now with many more options.

What this is all about is a decision as a Nation as we look at the Medicare program going broke, as we look at the Nation as a whole going broke, $5 trillion in debt, are we going to be grown-up about it? Are we going to be adult about it? Or are we going to continue to act like adolescents, spending today without regard to tomorrow?

I think most Americans demonstrated in the last election that the policy of enjoying the benefits of programs today and expecting our children and our grandchildren to pay for them with ballooning debts and deficits are unconscionable. The senior citizens of this country know what it is to be grown-up and to act responsibly, and I believe that once they see how responsibly we Republicans have behaved in fashioning this program to meet their needs, they will then do the responsible thing and support it.

Mr. Speaker, I think the country will be better for it. Medicare will be better for it, and all of this political posturing will soon be behind us.

And with that, I would yield back the balance of my time and thank the gentlewoman from Washington [Mrs. SMITH] for yielding.

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ELIMINATING PACS AND OTHER CONGRESSIONAL REFORMS

Mrs. SMITH of Washington. It gets confusing sometimes, does it not? I hear all of these things out in the public and I do not know what to believe.

Mr. Speaker, I think the real thing that we can all believe is that Medicare is going to finally be preserved, and the President's task force said it was going to go belly up and be in stark trouble. Look at what is happening. We are debating the real issues and we are debating how to preserve it, to protect it. A few people are demagogueing it. But most of Congress, Democrat and Republican alike, understand that we have a responsibility above politics.

Mr. Speaker, with that, we want to talk tonight and share some of the thoughts going on in Congress, and just talk them through, because the American people often do not get to see what is happening behind the scenes. Today there was a meeting that was vitally important to this place, and we have decided that never, ever again in the history of Congress should we be having discussions over whether someone voted because of the money they got from special interests. This coalition went together and we put together a plan. After we reminded ourselves of all of the good things we have done so far, which there have been many, we decided that we still had to do more.

We would like to go through; and in fact, I would like to ask the gentleman from Michigan [Mr. HOEKSTRA] if he could help me remember. Mr. Speaker, it has been 10 months since we started this year and we have done so much reform. Let us go through what we have done, even though our group is going to ask for a lot more, and let us talk about what we have done so far.

Mr. HOEKSTRA. Will the gentlewoman yield?

Mrs. SMITH of Washington. I would be happy to yield.

Mr. HOEKSTRA. If we go back to opening day, we were here for what, 12, 13, 14 hours, and it was a long time ago. But when I think back about my first term of office and how different this session of Congress has been, because some of these changes that we made on opening day, we did go through and we reduced the size of committee staffs by one-third, so we are downsizing Congress. We went to a process now that is very important as we work towards a balanced budget within seven years, and we said that we would go into truth-in-budgeting baseline reform. A third reform is even in this Congress, we had a historic first vote on term limits for all Members of Congress.

What we were able to do on opening day is we were able to establish term limits for the Speaker, committee and subcommittee chairmen; we banned proxy voting, one of the reasons that so many of us are getting so much exercise this year, we are running back and forth between the House and various committees, making sure that we as Members are present and voting in committees, and we do not have chairmen there with a stack of paper saying how they believe Members should vote. We had sunshine rules concerning committee meetings. All of our committee meetings have been open to the public and the media. We have passed a supermajority regarding limitations, or the requirement for a supermajority on any future tax increases.

More recently we have seen the result of one of those other reforms that we put in. We had the first comprehensive House audit, and I think we all recognize the disappointing results of that House audit, basically not getting a clean bill of health like private and public corporations around the country are required to get from their auditors, but basically telling us that we had significant work to do in this House to bring our standards of financial accounting up to what is expected in the private sector.

Then the last significant reform that we had on opening day was the Congressional Accountability Act, where we went through and said that it was time to take many of the laws that applied to the rest of the country and apply those laws to Congress, so that we would get a better understanding of what is happening to small businesses, medium-sized businesses, individuals around the country, with the different laws that we have put in place and we have never lived under.

So that is kind of a quick overview of the types of things we passed on opening day. In the last Congress, those would have been considered historic. In this Congress, they are now considered a footnote because we passed them all on the first day, and people are now saying, well, you did that on the first day, where are you moving to now? What is the next step?

Mrs. SMITH of Washington. Mr. Speaker, we have moved along so quickly, we have had to do so much. Even the audit was monumental, because this House has not been audited

in 40-some years. Can you imagine a business not being audited in that long?

So we have done a lot. But we had a meeting today of reformers, and there are a group of reformers, Democrat and Republican in this House, that want more and more, because we believe the American people want more and more. So we came to a conclusion today that we should eliminate PACs-giving. Now, that is historic, because it was a big enough group that we think that we can actually accomplish that if the American people come behind it and help us push.

We were asked, why eliminate PACs, and I am going to go back to the charts we were using in this meeting today to share them again, because I think the reason that people are unhappy with us is they think that once you get here, and I have not been here long, but once you get here, the money comes in, the committee chairs get more powerful, the people get more powerful, and the incumbents just stay because of that money and that power.

Well, Mr. Speaker, they are right. The American people are right. Right now, incumbents get 43 percent of their money from PACs, and that leaves individuals at 53 percent, and a lot of that is connected to both the lobbyists giving individually and the attorneys for those same entities, those same PACs. So when you start whittling this down and you take those out, very little, relatively, comes from the person's district from small contributions.

Now, look over here. That is the challenger on this side. The challenger, and no wonder not very many challengers win, get very little from PACs. PACs bet on the incumbents. The incumbents can sit here, never go home to middle-class America or to the streets of their districts, and they can just get reelected by fancy media campaigns and sending direct mail and never have to shake a hand of a constituent.

So, Mr. Speaker, we decided today some monumental things. I guess I would like to have you two share why you decided to participate in these reforms. I mean, this is pretty courageous, this is a pretty good sized group now of courageous people who have said, we are going to try to break the back of the old system and kick out the money brokers.

Mr. SANFORD. Mr. Speaker, I think the gentlewoman is exactly right, in that if you look at the number that you were just pointing at, the really interesting number is to look at the difference between incumbents and challengers. If you look at that 11 percent number that goes to challengers, what you really begin to see is corrosion of the democratic process.

For instance, in the 1992 election cycle, if you were to break the numbers which you would be looking at, is that roughly, challengers picked up around $15,000 per election cycle from PACs, while incumbents picked up about $212,000 per election cycle from PACs. That is not exactly what we call a level playing field back home in South Carolina. Mr. Speaker, again, $15,000 as compared to $212,000, and that is that kind of difference in terms of funding of campaigns that has a lot to do with the fact that we have a 90 percent reelection rate in Congress.

What people have been saying with the term limits movement is that we want to break the back of this sort of permanent political working class, and instead, they want to see a citizen legislature that goes in for a little while, tries to make a difference as best they know how, and then goes home. One of the keys to leveling that playing field is this money thing that we are talking about.

Mrs. SMITH of Washington. Mr. Speaker, I think the other piece that we decided on, although we have not decided exactly the mechanism, but we decided that most of the money, if not all, if we could get a constitutional okay on it, if enough people would say it was not unconstitutional, that we wanted all or most all of the money to come from the district or State of the voters that put that person into office, and no money to come from anywhere else. What do you think would happen next year if that were in place and the incumbents could not raise money from special interests here? What do you think would happen to those incumbents? What would they do, quite naturally?

Mr. SANFORD. They would either be in real big trouble or they would have to head back home to their districts, which is again how I think the finding fathers wanted it.

Mrs. SMITH of Washington. Or they would retire.

Mr. SANFORD. That is exactly right.

Mr. Speaker, on that point I would like to bring up the fact that a lot of people say well, there is no difference between PAC funding and individual funding, and as I think all three of us know, there is a fairly considerable difference, because a PAC is all about focused special, specific interests. That same amount of money coming from an individual; for instance, if I was to go back home to the fellow that runs the corner hardware store and say, well, it costs money to run a campaign and I sure would appreciate you helping out, and that person is not only concerned about business or concerned about that particular community, but they have children or grandchildren, so they care about education, they care about the Social Security system. There are 1,001 issues that make up that individual, and so you begin to get a general interest as opposed to a very specific interest, and I think that distinction is awfully important.

Mrs. SMITH of Washington. You know, I think it is common sense, as the first reforms we passed are common sense, that people are saying, other people used to vote by proxy and we did not know that, or why should a chair hold a committee chairmanship as long as he or she is alive and can be put in the chair? Mr. Speaker, that should be turned over every so many years so power does not get too tough.

Well, people know those things, but we seem to have kind of isolated ourselves here in Washington, DC, and forgotten some of those common sense conclusions.

Mr. HOEKSTRA. Will the gentlewoman yield?

Mrs. SMITH of Washington. Sure.

Mr. HOEKSTRA. Mr. Speaker, the discussion this evening is focusing on PACs, but I think if we go back and we take a look at, just for a moment, at the larger objective and the larger picture that we talked about today, we evolved to political action committee funding, but we started off with a vision of where we wanted to be, taking into consideration what we did on opening day, the process that we have gone through this year, and what we hope to accomplish yet during the next 15 months of this Congress.

Overall, where we want to move to is we want to move to an institution, a Congress, that the American people can feel good about, that they see that we have put in place a series of reforms, a series of change in procedures about how we go about doing our business that will reinforce to them that our primary interest, our only interest, is in doing what is good for the long term of this Nation, moving away from what I think a lot of people have perceived Congress has become and Congress people have become, which is focal points for special interest groups. That we are here, and we are about doing the people's business, and that what we are going to do is try to eliminate all of those things which detract us, or which move us from focusing on what is important, to focusing on special interest groups and no longer the good of the country. Political action committees are one of the primary things that do that.

We also talked today about a series of things about ethical reforms.

Mrs. SMITH of Washington. Let us go through those so that the American people know what is being talked about, and what we have been thinking about, because there are many things. I took a little bit of your time, but I will share all of the rest of it with you.

The American people are interested. Let us start talking about these other reforms, because even though we resolved on certain things today, we resolved on getting rid of PAC influence, returning campaigns to the streets of America, and eliminating all gifts and trips; other than that, then we got into things we wanted to add to strengthen, and let us talk about some of those.

Mr. HOEKSTRA. Well, we talked about things like ethical reform, what Members of Congress can do once they leave the institution; for instance, should they really be permitted to go work for foreign governments, taking the knowledge that they have gained

here. Should they be permitted to come back and lobby Congress? We talked about pension reform: How lucrative should a retirement from Congress be?

Mrs. SMITH of Washington. Mr. Speaker, I think we said that Congress people should not get any more pension than an ordinary person, and I think that is what we came to.

Mr. HOEKSTRA. Yes. I think there is another whole series of things that I think are going to provide a very fertile ground for us to explore, not only reforming this institution, but also reforming the size of Washington government and our relationship with the American people.

The gentlewoman is well aware of some of the ideas that I have been pushing, such as the opportunity for the American people to recall Members of Congress in the Senate; the opportunity for them to have initiative and referendum, and those types of things, and I think we may hopefully also, as we put this package together, a comprehensive package of reform, of building trust in a relationship with the American people, we can have an exciting package of reforms that demonstrate that we are serious about changing the way that Washington, DC, does business, and we are serious about changing the way that Washington, DC, relates with people at the grassroots level.

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We are about change. We are about progress. We want to be about good Government.

Mrs. SMITH of Washington. I would like the gentleman to talk about the initiative referendum because it is something that was up last year. It has not been talked enough about this year, but you have been a leader in that. Then let us talk about that a little bit because it sure makes a lot of sense to me.

Mr. HOEKSTRA. The process we proposed 2 years ago, we came here 2 years ago with a smaller freshman class and with a different majority. And we recognized that we needed to put in place reforms. But we said, where do we get the pressure to really change and force Congress to act? How do we empower the American people?

One of the things we see is a total disconnect. People at the grass roots level no longer feel like they can really influence Congress because of things like PAC's. We said, there are a number of States, Michigan being one, where through a thoughtful, deliberative initiative and referendum process, people at the grass roots level have been able to put in term limits, put in tax limitation, put in good government measures, because they had a legislature that was unwilling do it so we provided them at the State level a mechanism to have an influence on legislation that would change the way government was done in the State of Michigan. We said, why can we not provide that same opportunity?

I think one of the things that we have a real opportunity to pass in this Congress is we have an unfinished agenda in the Contract With America. We passed much of what we wanted to do with the Contract With America. We fell short on one major item in the House of Representatives. That is term limits.

The Speaker of the House said that when we come back, if the Republicans are in the majority in the next Congress, the first legislative vote we will have in the next Congress is a revote of term limits. And I think an initiative process or a referendum process on term limits would be wonderful. Let the people, the candidates debate the pros and cons of term limits in the spring, summer and fall of 1996. Let them all go to the polls on the second Tuesday of November and advise us whether they think term limits is an appropriate piece of legislation. Take the results from that advisory referendum and in the first day that we are back in session in 1997, see if we cannot pass term limits and complete the agenda of this Congress.

This Congress has not heeded the call of the American people. The American people want term limits. This Congress said no. Let us give the American people one more chance to instruct us and see if the next Congress cannot get the message.

This is the process that we are looking at building yet during the next 15 months.

Mrs. SMITH of Washington. You can see it is a dynamic coalition.

Mr. SANFORD. If I may, you are talking about the American public getting the message or trying to send the message. Getting back to what we were talking about earlier with your charts in terms of PAC contributions, one of the messages that I think has been mixed are folks that say, there is really no difference, again, between an individual contribution and a PAC contribution.

One of the things that I think stands out on that front is not only the difference between the single issue and sort of the wide ranging issue, wide range of issues held by an individual, but as the recent Forbes article pointed out, it was here in the last year, I do not know if you saw it. I think it was very interesting. It tells a tale about how specific money is tied to certain issues in a way that is destructive to our democratic system.

It was a study done by the American Tort Reform Association on, of all things, the American Trial Lawyers Association. This is a Forbes article of October 24 of last year.

What was interesting about this study was they studied contributions by the American Trial Lawyers Association to California, Texas, and Alabama. Between the dates of January 1990 and June 1994, during that period, they contributed $17.3 million. By election time it was right at $20 million. And if you took it across all 50 States, you would be at about $60 million.

What is interesting about that number is the point of the article was, did these folks get a good return on their investment. The answer was, absolutely yes, because most attempts at sort of meaningful reform in terms of tort reform have been stymied in large part due to the $60 million. So I think, one, it is interesting the way the money flows to specific issues, but as well the bundling factor which is not talked about often with PAC's, which is that PAC's can contribute up to $5,000 per election cycle to a campaign, which means, for instance, in my race I had a primary and then a runoff and then a general, they could give $5,000 in the primary—$15,000.

Mrs. SMITH of Washington. One group?

Mr. SANFORD. One group.

Mrs. SMITH of Washington. And you would say that had no effect.

Mr. SANFORD. Exactly. They could get together with three other PAC's and you could be looking at $45,000 from one group, and the American public is looking at it and saying, wait, this does not pass the common sense test.

Mrs. SMITH of Washington. I have to say that people that are standing here have to be commended simply because we have been thrown into the system, a lot of freshmen, and you are a freshman too, as I am. We are standing up against it.

Now we have recruited, I call it the older reforms that got beat down. All of a sudden they are standing up with the freshmen saying, ''We do not like the sewer either.'' They are talking about it from within. This is historic. Never, never before have they really pointed to the institution and themselves. They have always pointed to somebody else on the other side of the aisle or they got out of politics and then talked afterward.

Mr. SANFORD. Right.

Mrs. SMITH of Washington. So you are saying those things about your campaign is really historic, that you would be willing to step out.

Mr. SANFORD. Hopefully, that is what is different about our class. People will actually step to the plate, whether it is on term limits or whether it is on campaign finance reform, and stay that for too long people, as you have said, have just pointed the finger saying we need to reform all of this out here but never us. Hopefully we are beginning this cleansing process for beginning with ourselves.

Mrs. SMITH of Washington. I think that I really do commend you because I know that some of the folks have been afraid of pointing to it for fear that those that are not so kind will say, but you came in in a PAC system. What I say to them is, if you are willing to stand up now, I believe the American people will stand up with you. You ran against PAC mania, and if you challenged an incumbent they were raising it there. So it is quite natural.

Then you come in with a debt, and the PAC's are here, and they are paying off the debt. And your opponent has already filed against you the day after your last election. They are getting PAC money. So no matter where you are, are you courageous enough to stand up in it and say, no.

Mr. SANFORD. Speaking for PAC mania, I was looking at numbers from the Federal Election Commission showing numbers for PACS; December 31, 1974, they were right at basically 89 corporate PAC's total, 89 corporate PACS; July 1, 1994, 1,666 PAC's. You can see this explosion in terms of the way special interests have manifested themselves. So you are right when you say the word PAC mania.

Mrs. SMITH of Washington. We want to get our good friend here, the gentleman from South Carolina [Mr. GRAHAM].

But take a look at this. A total of PAC contributions just to the House for 80 million in 1984. There are 132 million just to the House in the last election. And it is going up just about the sharpest, just about like the national debt did. I wonder if it is connected.

Mr. GRAHAM. This is the upstate version. Mark is from the coastal area of South Carolina, and I am from upstate.

Mrs. SMITH of Washington. Good State.

Mr. GRAHAM. One thing we agree on is that the system needs to be changed. The gentlewoman has done a good job bringing the debate on the floor for the House tonight and throughout the Congress. Let me say why PAC contributions have gone up in my opinion.

We tried to reform giving in the past, and this was a loophole that we limited individual donations, so PACS were formed. They have replaced individual giving, corporate giving. We said corporations could not give in their own name so they created political action committees that will allow you to give in the same manner that you were before when corporations were giving directly.

When it comes time to evaluate whether we have done things differently in this Congress, I would like people at home to think about what the debates are now. The debate now is how much do we reduce Government, how much do we cut spending, how much do we deregulate, how quickly do we reform Medicare, how quickly do we balance the budget. I can tell you that 6 months ago that was not the debate in this country.

So there has been a substantive change in the way we are looking at national issues. I think our class had a lot to do with it. There are people that have been fighting for a long time in this institution to bring better Government about. But the whole debate has changed. I am proud to be a part of the new debate.

The only group of people that I know that has serious doubts about the merits of term limits at the national level happen to reside here. When you go out in my district, it is not a real serious debate as to whether or not you need term limits. There are people that genuinely believe that term limits is something that we should not do. Certainly not going to cure every Government ill, but the vast majority of Americans, 70 to 80 percent of them, believe it is time to experiment with our Government and try a new form of serving in Congress, make it an opportunity to serve your citizens and come back home.

Mrs. SMITH of Washington. Why do you think they want term limits?

Mr. GRAHAM. I think a recent example of someone who has been up here for a very long time, term limits and arrogance go together. I think the public sees it as a way to control the arrogance for power. The average committee tenure for chairmen tenure in Congress was 26 years on average. Committee chairmen had held their jobs for 26 years. And I do not see those people losing their jobs unless you change the institution.

Mrs. SMITH of Washington. What is wrong with that? What is wrong with all that experience? I had somebody say, well, that is experience.

Mr. GRAHAM. Well, experience is good in many areas, but in Government, the power centers are dominated by a few people. And literally, it has been true in Congress that if a handful of people did not like the idea, regardless of its merits, it could never see the light of day.

Mrs. SMITH of Washington. What kind of people?

Mr. GRAHAM. A handful of committee chairmen and the power structure here. As a freshman, we have been beat on a little bit. We are not always right, but we want change to come about quickly. We want change to come about, and it would be real change. I have been in the State legislature, and I know that enthusiasm that you get with a new job. It is irreplaceable.

After 12 years, I ran on 12-year term limits. At this pace I do not think I will last that long, but I guarantee that I will be part of the problem so that it will be good for this institution to have new people recycle through.

In my district there are a lot of people that could be good Congressmen. I am certainly not the only one, and I would give them a chance to do it. But term limits was the only item in the Contract With America that was failed, and it was the only item that affected our political future.

I hope and pray that people will not give up on this issue. We have an inclination in this body to still protect ourselves. There is no doubt in my mind if PAC reform gets to the floor for the House that campaign finance reform gets to the floor of the House. It will be a slam-dunk vote.

People in this institution are afraid to vote against the mood of the times, but our problem is getting it out on the floor for a vote. When it comes out and sees the light of day, these reform measures are going to pass. Our leadership is very busy now trying to balance the budget and reform Medicare, but I hope they will listen to us. More importantly, I hope they will listen to people back home and get real reform that affects Members themselves on the floor so that we can profess to people finally that we are serious about not only changing the way the Government works but the way we serve in Government.

If we can establish credibility at that level, then everything is possible. We can balance the budget. We can reform Medicare because we live by example, and I am optimistic that we are not too far away from that date happening.

So folks at home need to take some encouragement. The debate has changed, and we are going to get the Government back on track sooner or later. I think it is going to be sooner.

Mrs. SMITH of Washington. Has it not been exciting to be a part of freshman reformers on both sides of the aisle. I was thinking about that as we were setting a meeting today with reformers, Democrat and Republicans. I was looking at these people that were saying things, like I do not care if I get reelected, we have to do this, and that were willing to take on the old committee structure.

Some of the more difficult folks to change are going to be some of those that have been chairs forever or because Republicans took control, finally have chairmanship but who have been here for years. It is going to be hard for them to accept the change. But when I looked around that room and I saw the determination, I do not know how you feel, but I thought, I think that if the American people give us the support, we are going to be able to make sure that the leadership understands this has to get to a vote.

Did the gentleman fell good about the dynamics for the meeting today?

Mr. GRAHAM. Yes, I felt good about the fact that the people did seem very sincere. And I would be the first to admit, I enjoy my time in Congress. I limited my own term, and I am going to live by that if the people allow me to come back.

I am concerned about getting reelected but not at all costs. I would like to see this revolution through for several terms so that we can make sure that what we start today does not die next term. We need to sustain a majority with people of the right mind and right spirit.

I would rather be beat than not to balance the budget. I would rather be beat than to walk away from the Medicare system that is going broke. I would rather be beat than not to fund the military adequately. There are certain things that mean more to me than my political career because I can see the future, and the future is at stake now.

We are going to take one or two paths. We are going to deal with entitlement issues in this country in an

honest way, or we are going to turn our back to them and worry about the reelection solely on the idea that, if you do not give the American people everything you perceive they want, they will not vote for you.

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What I perceive the American people wanting is honesty in government, to be honest with them about Medicare, to give reforms that are sincere, that are meaningful, and to get away from the rhetoric. I think the American people are our best ally. I am not afraid of them at all. I think we are way behind the power curve and they are way ahead of us.

Mrs. SMITH of Washington. I have been home a lot. I go home every weekend, 3 or 4 days a week. I find this place is so far removed from the American people. There is a lot of common sense. They want solutions. They do not want the polarization. What they consider common sense seems to be different than what is here.

Can you imagine if we had the American people here right now, we had them all in this room and they took a vote on whether lobbyists should be giving us money at all, what the vote would be?

Mr. GRAHAM. I came from a State in South Carolina where 16 to 18 people in the State legislature went to jail for taking bribes on their votes, for taking gifts illegally. We have the strongest ethics law in the country in South Carolina. You cannot take anything of value from a lobbyist. We were able to operate State government, I think, better.

If the American people could vote by television or some other device on these issues, it would be a slamdunk. It would be a slamdunk if this body had the opportunity to vote on campaign reform. So the message has to be: Call your Congressman, tell him that you are insistent that a vote come about.

We will have another vote on term limits, and I honestly believe that the American public is going to demand that this issue be resolved in favor of national term limits; that those people who consistently oppose term limits are going to lose their job through the democratic process.

The public has an agenda of its own. I think we have embraced that agenda in the Contract With America, but we have a lot more to do. Medicare to me is kind of a defining moment in this Congress. I believe this about Medicare: that if you take more money out of the system than you are putting in on average per couple, that the system is going to be subsidizing you. The number they tell me that is accurate is that the average American senior citizen couple takes out $10,000 more than they put in the system, which means their children and their grandchildren are paying the difference.

What we are trying to do up here is to even the playing field, reform a system that most of us believe does not work. The sicker you get in Medicare, the more money the doctor and the hospital gets. The incentives are all wrong. There is no opportunity to get reimbursed for preventive medicine, so we are going to create a system that has different incentives behind it and prevents the future generations from going bankrupt from subsidizing the system that really does not provide quality of medicine in an efficient manner. That is what the Medicare debate is about.

I think senior citizens in this country are going to step up to the plate and help us solve the problem. They won World War II, most of them lived through the Great Depression, they have seen the Great Society grow and interrupt their individual freedom. Can you imagine being a senior citizen in America and your sole source of income is Social Security, which the Government has its fingers in, and the only way you can get health service is through Government-sponsored health care? Who wants to be in that boat? You surely do not want that for your children and grandchildren. That is no place to be. We are trying to change that dynamic.

Mrs. SMITH of Washington. I think the exciting part for me about Medicare is this has been a Congress of courage. Instead of doing what was recommended by the President, just do nothing for a while, let us just do nothing until the next election, they decided to do it in spite of elections. Any time before we have tried to reform the major systems of Medicare and Social Security, the—I will just call them people that like to scare older people—have gone in there and one things, so they have not done it year after year.

When we all got here as freshmen, we had to face what they should have done 15 years ago in stabilizing these systems. Instead of us backing up and saying ''We just got elected,'' we look at them. I went through the financials on Medicare. Serious problems. Anybody who has been here for 10 or 15 years that did not take a stab at really fixing them or trying to stabilize them before is really responsible. Here we were to handle them.

Instead of our freshman class and a lot of colleagues coming in saying, ''Oh, my goodness, we are going to lose our elections,'' they said, ''It is not responsible to not stabilize it and make sure it is there for the most vulnerable people. We have to do that.''

Therefore, we have to talk about it. It did lay us open for criticism, but a leader that does not get criticized is probably not doing anything, or lying to both sides anyway. I appreciate that about the freshman class, being the motion behind that.

Mr. GRAHAM. I think that truly is the spirit of the class. The bill is now due for 30 and 40 years of socialism. The bill has finally come due and it has come due on our watch. What are we going to do?

Mrs. SMITH of Washington. Instead of our grandchildren's.

Mr. GRAHAM. Now is the time to change it. By the time they inherit it, it is too late. We have the incentives all wrong. If you are a senior citizen and you make over $11,000, we start dipping into your benefits and punish you for staying in the work force. That is a crazy program. I would like every senior citizen in America that can work to keep working and pay taxes, Social Security taxes, for the rest of their live until they decide not to work; not have the Government punish you because you continue to work.

Welfare, we have a system now where you have to pick between dependence and independence. If you are a mother with a couple of children, the main reason that you want to stay on welfare is for health insurance. If you get a part-time job and you make $1 too much, we take your Medicaid benefits away from you. If you want to live together as man and wife, we take your benefits away from you because you went over a magic threshold.

I would like to see the Government help people help themselves. Do not have it all or nothing. Let us help you, and you work and help yourself, and as you go up the economic ladder we will reduce the benefit package but allow you to work and receive public assistance so you can be independent and feel good about yourself. The incentives in this system for the last 30 or 40 years have tried to keep people tied to it.

The entrepreneurial spirit and independence is a threat to the Great Society because the whole reason it has existed is extracting votes from the American public, because they are tied to Government, and I want to change that incentive. I want your vote because I come up with good policies, not because you are dependent on me for a check.

Mrs. SMITH of Washington. Today many of us met with Ross Perot, the head of United We Stand, and we talked about a poll of the independents, and how the independents, what they are looking at. They want strong change, they want real change, and they want us to do it now. They are not willing to wait very long, and I think that what we are doing is strong change that is constructive strong change. They are basically behind that change.

The one loose cog we have there, though, is they really want to eliminate PACs because it builds the confidence in the solutions. You made a really good comment during that meeting, that without the confidence, and I will not quote you, because you are here, something to do with the confidence we need of the American people in these solutions. I certainly do agree with you: if they do not trust us in the solutions, no matter how good they are, it is like trying to heal a patient that does not believe in the cure. They

can have the best cure and die from a lack of trust in the cure, at times.

Mr. GRAHAM. The question is what makes us different. Rhetoric abounds in politics, but the public is not going to be satisfied until they see substantive changes. We have talked about concepts that are long overdue for change, but one thing we have to prove to the American people is that we are willing to change the way we serve, the length of time, and the benefits that we are getting from serving. If we are willing to do that, if we are willing to change our pension plans, if we are willing to change the way we get our elections financed, if we are willing to change the career nature of being in politics——

Mrs. SMITH of Washington. And no more gifts?

Mr. GRAHAM. And no more gifts, I think people will respond in a positive fashion and accept the other changes we are asking them to do in their daily lives. There is nothing wrong with politics that cannot be fixed. The only way we are going to win this war is for the people to stay involved and insist on change. And watch what we do when we vote, not just what we say up here talking; follow our voting records, follow what bills we sponsor. I take PAC money right now because I am the first Republican in 120 years to get elected from my district.

Mrs. SMITH of Washington. You want to give somebody PAC money? That is kind of the way the game is played.

Mr. GRAHAM. The Democrat Party spent as much as I did in PAC money, but the Democrat candidates have traditionally outspent Republican candidates 5 and 6 to one. I am and I was competitive. I want to change the rules of my game, but I am not going to take my helmet off when I play football until everybody in the circumstances takes their helmet off.

I believe our class is willing to put the measures forward to vote on this floor and that we will win, but do not be too hard on us because we are unwilling to play by a different set of rules when the people who have run this place for 40 years will not.

Mrs. SMITH of Washington. That is what was exciting about the meeting with Ross Perot is that he said, ''Just change the game.'' He really was not critical of us, because everyone came in running against people with PACs, and if you did not compete that way, it was like fighting with a B-B gun against a bazooka. But I think the scenario that came closest, he said, maybe before you were there or during the day, something to the extent of being thrown in a sewer and liking it. If you are there very long and it starts smelling good, you have a problem. If you are thrown in and you are trying to swim out and keep your nose above water, that is quite different, but you are not going to be willing to sink.

Mr. GRAHAM. There is nothing wrong with politics that a few good people working with their constituents cannot fix. And honest to goodness, we have changed the debate in this country, and I am committed now more than ever to reforming the government. I believe it is possible now more than ever, because we have changed the whole debate of what is going on in Washington within a 6-month period. To follow will be substantive changes in the law, but things do not happen overnight. We are well on our way.

The number one comment I get in my district in South Carolina is, ''Do not turn back. Do not give up.''

Mrs. SMITH of Washington. Do it faster?

Mr. GRAHAM. That is right. It excites me. I live in a district where the average per capita income is less than $14,000. I did not run on a campaign promising them more benefits from the Federal Government, an increase in the minimum wage. I ran on a platform of getting the Government out of your life, decentralizing the role of the Federal Government, giving you choices to raise and educate your children, giving you an opportunity to start your own business and succeed or fail based on your own merits, deregulating the society so we can be competitive internationally, and I won by 60 percent, by people who have traditionally been written off by the Republican Party. I think that is a shortcoming of our party. We are truly the hope of the future. The entrepreneurial spirit lies with this new generation of politicians. Let us bring it back to life.

The thing about democracy is that you give people opportunities, and when you have an opportunity, you can blow it and you can fail. We have to be willing in this country to allow people to take chances and fail, and understand that that is just the nature of competition.

Mrs. SMITH of Washington. So they sent you as a candidate for change?

Mr. GRAHAM. That is right.

Mrs. SMITH of Washington. They sent me as a candidate for change. My election was only 2 weeks in the primary, and then 6 or 7 weeks.

Mr. GRAHAM. You were a write-in candidate?

Mrs. SMITH of Washington. I was a write-in candidate. I came back from vacation and all people knew about me in the State, other than my direct Senate district I already represented, was that I had passed campaign reform and spending control, and that I was close to people. The polls afterwards show the people elected me to go and change Congress. They saw hope in me to be a change for this level, because I was at the State level.

I am a very, very strongly known person for being opinionated a little bit, maybe a whole bunch, you know me.

Mr. GRAHAM. It is not all bad.

Mrs. SMITH of Washington. If you follow the old political wisdom, they say, ''If you have strong views, keep them to yourself because you do not make anybody mad.'' I did not follow that in my State, so in Washington State they know where LINDA stands on most everything, but they did not care on the things they disagreed with me on, as long as I would go in and clean house so the system would work, like we did in Washington. I look at our colleagues that have come in with us and some that came before us, and there has been a whole wave for 2 years of people sending people they want to change this place.

Mr. GRAHAM. The thing that amazes me about our class is that when we first got together at the very first part of Congress, I did kind of an informal poll. I think our campaign literature was absolutely the same. Whether you were in the deep South or in Washington or in Minnesota, you had the same view of what the problems were in this country; that you wanted a balanced budget amendment, and I want a balanced budget amendment in the Constitution to protect the public even from the Republican Party.

I want term limits not just for Democrats, but for anybody that wants to serve. I want to give the President of the United States the line item veto. I am very disappointed——

Mrs. SMITH of Washington. Even though he is a Democrat?

Mr. GRAHAM. I want to give it to President Clinton now, and I think we have sat on that issue far too long. It is time to act.

Mrs. SMITH of Washington. We passed it through the House.

Mr. GRAHAM. We did in the House. The Senate has a version, and they need to come together and get a version signed into law. Speaker GINGRICH has made a commitment to try to do that by the end of the year. Those types of reforms serve the country well, because you need the line item veto even if Republicans are in charge, because there is a habit up here of spending money to get reelected, and I would like to have somebody sitting over the shoulder, regardless of the party, saying, ''That is not good for the country, even though it may be good for your district.''

The balanced budget amendment, if I write a bad check as a private citizen I go to jail. If I write a bad check as a politician, I get reelected. I do not trust any party enough not to have institutional control.

Mrs. SMITH of Washington. It is not funny, but the ways of the past, all you can do is laugh about them.

Mr. GRAHAM. When you think things are not going so well, go home. I have been home every weekend but two. I went home and met with Senator THURMOND. He is 93 and he can run circles around me. He is for term limits. He said 12 more years and he is getting out.

They say, ''How can you support Senator THURMOND and be for term limits?'' I said the problem is not whether Senator THURMOND goes or TED KENNEDY goes, it is the institution. I am

looking at institutional changes. There is no use picking on one person.

The thing that is great about this job is I got to go to the 100th anniversary of Saluda County, and I met a woman who used to babysit STROM THURMOND. She is 103. She said, ''I want you to go to the old folks home with me, because they need cheering up.'' She goes every Sunday and pushes people around in a wheelchair. She has a lot of spirit.

Mrs. SMITH of Washington. Does she still believe in America?

Mr. GRAHAM. She believes in America now more than ever. She saw STROM THURMOND grow up. She said he was a nice young man. That was a great opportunity to see what is good about America. If anybody from the EPA wants to change the water in that area, they had better call me first, because the gentleman that sang the song at the end of the ceremony sang the same song at the 50th anniversary. Senator THURMOND laid the stone at the 50th anniversary when he was Governor, and his babysitter was at the same ceremony, so there is no problem about the water in my district, and they had better stay out of it.

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Mrs. SMITH of Washington. It sounds like you are getting real personal on that one. But when you go home you find out the truth of what people are wanting. They want us to be truthful and they want strong reform.

I think that today we turned, you might say, the corner when we put together the coalition that says we are going to ask the leadership to take strong votes before we leave for Thanksgiving on campaign and ethics reform, and we want votes and strong action, moving forward. To me that is a confidence builder for the American people like nothing else because they can trust our solutions. When we go home, they can say, job well done.

Mr. GRAHAM. I am going to go and jog with Senator THURMOND here in a second.

The only thing that will keep us from not passing campaign reform will be the lack of an opportunity to vote on it, because if it gets on the House floor it is going to pass, because nobody wants to face the wrath of the American people on this issue. So I really do believe the leadership is going to give us that opportunity the first part of next year and that when it gets on this floor, you are going to see some amazing votes.

Mrs. SMITH of Washington. And you are going to be one of the ones that pushes it to the top of the hill, are you not?

Mr. GRAHAM. I will be there cheering it on.

Mrs. SMITH of Washington. With that, I thank the gentleman. Good night. It has been a great day for America. We are moving ahead and turning the corner for real reform.

PASSAGE OF CAREERS ACT RELATIVE TO ECONOMY IN TRANSITION

The SPEAKER pro tempore. (Mr. GUTKNECHT). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, today we passed the CAREERS Act. I was proud to vote against the CAREERS Act. The CAREERS Act is a consolation of job training programs, some adult education programs, and the programs for people with disabilities, the vocational rehabilitation programs. It is all merged into one program and given to the States in block grants.

The problem is that even if you agree that these programs should be merged, there are many small programs—and small is not necessarily bad, small can be very worthwhile—many of the small programs related to job training, like the small programs relate to education, were developed during the reauthorization processes of various reauthorizing committees. They represented a great deal of thought and care and interaction with community groups and professionals.

So many of the small programs that have been wiped out now and consolidated in one big set of block grants were good programs. To judge them by the fact that there were so many and they proliferated is to make a rather primitive assessment of the situation. That, nevertheless, has taken place already. I am sorry to say that the Clinton administration started some of that small is bad philosophy, and it just got of hand.

I agree that some consolidation was necessary and is desirable, especially if you are going to be flexible, and when you consolidate and you give the option to the States as to how they are going to run the programs, they also have something to work with in terms of resources. The problem with this consolidation is that whatever gains you acquire through consolidation, you lose because of the fact that the overall budget has been cut dramatically.

The amount of money available for job training and education programs has been drastically reduced by the same Congress that has focused on consolidation. We have cut $9 billion from the job training and education programs. The House of Representatives has passed an appropriation bill which cut $9 billion from education and job training programs.

No matter how you consolidate and how you reconfigure, you have a situation where less will be done. It is impossible to do as much as you were able to do before with such drastic cuts in resources.

I do not believe that throwing money at a problem is going to solve the problem or resolve any problems. Throwing money will not do it alone, but I assure you, you are never going to solve any problems unless you do have adequate resources. You do need some funds. You do need some reasonable amount of resources to deal with a problem.

Why am I opening with this particular recounting of today's activities. Because I think it is very appropriate in terms of what I have been talking about for the past few weeks. That is, that we are in an economy that is in a state of transition. The economy is changing in very rapid ways. It is changing in ways that are generating a great deal of upheaval, quite unsettling.

We have a phenomenon which is contradictory. The economy is robust and booming. The profits were never higher on Wall Street. The stock market is booming. Corporations are making tremendous profits. Yet at the same time the job market is being squeezed. The amount of jobs available is dropping dramatically, and the quality of those jobs in terms of the income that those jobs produce is changing rapidly. You have a contradictory movement, a Wall Street economy on the one hand, and on the other hand a job market that are going in different directions.

I had talked about this previously in terms of the very consolidated, solidified, economical way in which Lester Thurow stated this whole situation. I cannot help but come back to the quote that I have made several times in the last 2 weeks from Lester Thurow's article that appeared in the Sunday, September 3 issue of the New York Times on the op-ed page. I cannot help but begin with that first paragraph, because it is very appropriate for what happened today on the floor where we were cutting opportunities for people to get education.

We were cutting opportunities for people to be retrained so that they can fit into this new rapidly changing economy. We were cutting opportunities for people to move from the industrial age into the age of information. We were saying that the Government is going to play less and less of a role in preparing people for making these adjustments.

If Government does not provide the resources and the funding for job training programs, if Government does not provide the resources and the funding for adult education programs, then who will? The corporations are not going to do it. The corporations will only train the people they need to do the work they have available at a given moment. They are laying off these people. They are downsizing and getting rid of people who will have to be retrained. They will not devote any resources to those people that they are putting out of their doors, the people they are giving pink slips to.

In the more benevolent corporations, those that have some compassion, they give people a few months' pay and let them go. Some they may even give them half a year or a year of health benefits. In various ways some corporations do try to ease the burden of downsizing and streamlining which affects human beings. But the manner in

which they do this at best is very limited, very temporary in the lives of the people that they are streamlining or downsizing out of a job.

We cannot depend on corporations. After all, corporations and businesses are set up for the purpose of making a profit. They are not humanitarian organizations. They are not social organizations. It is the Government that has to take care of the welfare of the general public.

But the welfare of the general public is not being taken care of. The welfare of those workers that are being victimized by the rapid changes of the age of information technology, they are not being taken care of. You have the results that Mr. Thurow talks about again in his first paragraph, he summarizes it very well.

I quote from Lester Thurow's article from the Sunday, September 3 issue of the New York Times:

''No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than 2 decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing.''

Let me just read another paragraph that I read before:

''The tide rose, the real per capita gross domestic product went up 29 percent between 1973 and 1993, but 80 percent of the boats sank.''

I repeat, ''The tide rose, but 80 percent of the boats sank. Among men, the top 20 percent of the labor force has been winning all of the country's wage increases for more than 2 decades.''

To quote another paragraph from Mr. Thurow: ''With our global economy where anything can be made anywhere and sold everywhere, the supply of cheap, often well-educated labor in the Third World is having a big effect on First World wages. One month's wages for a Seattle software engineer gets the same company an equally good engineer in Bangalore, India for a whole year.''

In other words, you can get a competent, effective, well-educated Indian engineer for 1/12th of the wages you pay Americans, an Indian software engineer.

Software is very important. I need not dwell on that issue. What is driving the information revolution now is not so much the computers and the hardware but it is the ability to make use of the hardware with ever more creative software.

One of the second or third richest men in America is the owner of a software production company. They do not produce computers or hardware. Mr. Gates, Bill Gates, produces software. These software engineers in India will work for one-twelfth the wages of the software engineers in Seattle.

We are talking about an information age revolution which has just begun, ladies and gentlemen. Those who have college degrees are not any safer than those who are unskilled. Nevertheless, today we had a program on the floor, a CAREERS program which deals with job training and adult education, and we were emasculating the program dramatically through the block grant process, we were pushing the responsibility away from the Federal Government down to the States, and we were in the process of doing that cutting the budgets, also.

The first ripoff, the first emasculation is by cutting the budget. The second ripoff, the second emasculation is to give the power to the States, with very little accountability. I had an amendment on the floor just saying, at least we ought to hold people accountable for mismanagement, patterns of mismanagement. They should be liable, the States should be liable.

That, of course, was a great subject of controversy, just simple safeguarding of the taxpayers' money is a problem because in the process of pushing the money down to the States, we are holding our carrots and incentives to the Governors and the people at the State level, no accountability, you accept this reduced package and you tell us you want it and you applaud it and you support it and we will let you have your way. You do not have to be accountable.

That is just part of the process of washing the hands, like Pontius Pilate washed his hands, washing the Federal Government's hands of the problems and the miseries of people who need to be retrained. Like Pontius Pilate, it is about as heartless in its cold, calculating civilized way. ''Let's forget about the dilemma of the workers. Let the States take care of that.''

Then we know that the States do not have the capacity, they will have to deal with reduced money, and the myth of State government being more efficient and more effective than the Federal Government is just that, a myth. There are no facts to support that.

□ 2030

State governments have suffered a great deal of corruption, of incompetency. The records of history, newspapers, exposés, go on and on about various things that have happened at State and local levels. Some of the worst corruption in the country has occurred at State and local levels. Some of the most embarrassing bureaucratic nightmares will be found at the State and local levels.

But we are pushing that away and washing our hands of the dilemmas, of the problems of working people in this fast-changing economy and saying that we do not want to be bothered. Let us let the States deal with it. And if the States cannot handle it, we really do not care.

Speaker GINGRICH has said we want to remake America. The question has not been answered directly, remake America for whom? For whom do you want to remake America? For what purpose do you want to remake America? Who will benefit after you are finished remaking America? Who benefits from your conception of the Contract With America?

According to Mr. Thurow, 80 percent of the American people are not benefited from what is happening now. You cannot blame that on Speaker GINGRICH or the Republicans who control the House and the Senate at this point. It has been going on for 20 years, and so Democrats have to take some of the blame also. The rapidity of the technological revolution, forces that have very little to do with government, may all be blamed and take the greatest share of the blame.

But that is a 20-year phenomenon. Now we have observed it for 20 years. Now we understand that something radically different is happening. We should be blamed if we do not take hold. We should be blamed if we do not develop policies, public policies which are designed to counteract and to soften and to make a more compassionate situation in the midst of all this turmoil and change that is being generated by the technological revolution, economic turmoil.

During the last campaign, the Clinton campaign wisely focused on the economy. ''It's the economy, stupid,'' was the famous slogan that came out of that campaign. It is the economy.

It is the economy. It was the economy during that campaign. It is the economy now. When Speaker GINGRICH says he wants to remake America, what he is saying is he wants to remake the economy of America. That comes first.

We have to keep our eyes on the economy. Keep our eyes on the resources. Keep our eyes on the money. Keep our eyes on the taxes. Keep our eyes on policies which deal with expenditures, appropriations and budgets. Those are the things that matter, and the remaking of America is remaking the way America uses its resources, starting with the way the Federal Government uses its resources.

We have to keep our eyes on this, and I cannot stress that too much, because right now we are focused on the economy, on money, on budgets, on appropriations.

Today, the Republicans took one step further in issuing their plan for Medicare reform. Medicare is going to undergo a traumatic $270 billion cut; $270 billion over the next 7 years will be cut out of Medicare. That is a traumatic upheaval. That is a lot of money that has to come out of Medicare.

They are not talking much about Medicaid, but $180 billion will be cut out of Medicaid, and maybe they will go further. Since neither the Democrats nor the Republicans are focusing on Medicaid, they will take heavier cuts. That is about money and resources and it is about where the revenue and the tax dollars of the United States of America are going to go.

Keep our eyes on that. Keep our eyes on the fact that while we are going to take away from Medicare and Medicaid these hundreds of billions of dollars, we are proposing a $240 billion tax cut which will go mostly to the wealthier Americans. We are moving resources away from the sick and the elderly and the children and the people who are disabled to those people who are already wealthy and able to take care of themselves. That is the remaking of America. It is not so subtle, if you just keep your eyes on it.

The problem is that it is so obvious and so horrendous, that the Republican majority has no intentions of allowing us to keep our eyes on the economy, on the remaking of America by moving the resources around. They will come with diversions later on as we get closer and closer to the 1996 election.

You are going to hear less and less about the economy and more and more about affirmative action, and more and more about abortion, and more and more about gays in the military, and more and more about set-asides, and more and more about voting rights acts. More and more they will try to divert the attention of the American people by focusing on victims and scapegoats. There will be more and more about how the immigrants are destroying America.

Get ready for all of these diversionary issues. The great smoke screen will be thrown in our way. Start right now to prepare to look through the smoke screen and keep focusing on the economy. Keep focusing on the tax dollars. Keep focusing on the appropriations bills.

Focus on the Contract With America, which never said they were going to take Medicare and take $270 billion out of it. Focus on the Contract With America which never said that they were going to place a B–2 bomber in the highest priority, and in two big votes on the floor of the House and fight very hard to maintain a B–2 bomber, which nobody wants. A B–2 bomber which the President does not want; a B–2 bomber which the Secretary of Defense does not want and the Air Force does not want; the Joint Chiefs of Staff does not want; only the people who are manufacturing the B–2 bomber and making money off of it, they want it, and the people whose districts benefit from that, and the people who benefit from political action committees that are promoting the B–2 bombers.

Those are the people that want the B–2 bomber. Not the military. There is no smoke screen. You cannot say that we need it in order to defeat the evil empire. We do not need it. Russia defeated itself, along with some pressure and some preparedness from here. We will not take the credit away from American strategy, but it is no longer the excuse to use to maintain the B–2 bomber. And yet the B–2, which may absorb $33 over the 7-year period, that bomber is given precedence over Medicare and Medicaid, and over school lunches and over job retraining programs.

Just stop for a moment and consider, $9 billion was cut from the adult education, job training, vocational rehabilitation programs for the blind, disabled and the deaf, et cetera, $9 billion. That $9 billion is just one-third of the cost of a B–2 bomber over a 7-year period. Just one-third of the cost.

That $9 billion is the cost of four *Seawolf* submarines. A *Seawolf* submarine is $2 billion. They are pushing star wars. You know, we are going to go back to the pebbles in the sky to defend us from rockets that nobody has the capacity to launch. We are going to have additions being made to the budget of millions of dollars for defense systems that nobody needs.

Think about it all. You know, think about the scare tactics of the Republicans. Medicaid will go bankrupt if we do not do something about it. Yes, Medicaid could go bankrupt if we neglect it, but Medicaid was structured to be solvent 2 or 3 years ahead of time, but nobody thought that Medicaid would have instant solvency by itself. The Government stands behind Medicare and Medicaid.

Medicaid will be funded if you have a Government that cares about health care. We will set our priorities so that we do not waste our money on B–2 bombers or F–22's or *Seawolf* submarines.

The F–22 program will absorb $12 billion in the next 7 years. We will spend $12 billion on F–22's, produced in the Speaker's district of Marietta, GA, a district that receives more funds than any other district in the country.

I take time to point that out, because I am from New York City and recently the Speaker renewed his attacks on New York City. They are nothing new. He has been doing that for the last 8 years, but in his new exalted position as Speaker, I thought that he would refrain from his attacks on New York City, which made him famous over the last 8 or 9 years.

And yet we have again attacks on New York City as being a place of welfare waste and you think that it is a danger to the country. The simple facts are that New York City and New York State has always generated more income for the Federal Government than it has received from the Federal Government. The history of New York State is the history of giving to the rest of the country.

There was a time when $22 billion more was being paid into the Federal coffers than was received back from the Federal coffers. Now, $9 billion more is coming out of New York State into the Federal coffers than will go back to New York State through any Federal programs.

That is not true of Georgia. Georgia receives $1 billion more from the Federal Government than it pays to the Federal Government. Certainly not true of Marietta, GA, if you narrowed it down in terms of the Federal contract they have there to manufacture the F–22 fighter plane, and probably some other Federal contracts around. You will find that they are getting far more than they are paying into the Federal coffers.

So, keep your eyes on the dollar figures. If you took each State of the Union and asked yourself the question: How much money does this State pay into the Federal coffers, and how much money does it get back from the Federal Government, you would be shocked.

Many of the States that are screaming for States' control of programs are going to find in a few years that if you are really serious about State control and you lessen the taxation on the States universally across the country, and have each State carry its own weight, you will find it impossible to maintain your State budgets and your local budgets, because the money that you get from the Federal Government, which is a loss from New York, flows out of New York, out of some of the bigger industrialized States, even though they are not as wealthy as they used to be, they are still generating more tax revenue than they are receiving back from the Federal Government.

That money is distributed in programs like Medicare and Medicaid. It is distributed in programs like Social Security too. It is distributed, certainly, in defense contracts, which New York City has almost none, but many of the States that complain about New York City receive very lucrative huge defense contracts.

The money that they receive in the State of Kansas, and some of the other surrounding States that have for years gone to the farmers, or the so-called farmers, the farming industry, the farmer cartels and businesses; the subsidies which average per family between $30,000 and $40,000 a year, money that is given not for any service rendered but for not planting corn or not planting grain, not plowing up the field, money that comes as a subsidy from the Federal Treasury, that money comes out of States like New York. That money will not be there if you are really serious about letting States carry their own weight.

Stop and think about it. If you remake America, a lot of people who believe that they will benefit under the assumption that they are not on some form of government subsidy or welfare are going to find that they really are the beneficiaries of a lot of Federal subsidy and some welfare. I would call the farm subsidy program a welfare program that has gone on and on. We should end farm subsidies as we know them. We should get rid of that kind of welfare.

We have some corporate welfare too we should get rid of. But my point today is to keep your eyes on the prize. Focus on the economy. Focus on the appropriations bill. Focus on the budget. Do not let them later on move you

off into a concern for affirmative action, a concern for abortion, a concern for pornographic lyrics.

All of these problems are important. Family values are important. I think Mr. Thurow talks about family values in this article. The title of Mr. Thurow's article, what I am reading quotes from, is ''Companies Merge and Families Break Up.''

□ 2045

There is a point in here where he talks about the traditional family is being destroyed. I am quoting from Lester Thurow's article, the same man who started out telling us that this country is undergoing radical changes economically and 80 percent of the people are being left out, and only 20 percent are benefiting.

This same Lester Thurow, who is professor of economics at the Massachusetts Institute of Technology, who has written 10 or 15 books, who has testified in hearings in most of the committees here in Congress, such as the Joint Economic Committee, the Committee on Energy, the Committee on Economic and Educational Opportunities, he appeared many times before our committee, so he is well-known here and respected.

He is not a wild-eyed liberal or a radical. He believes in the global economy, he believes in free trade. He was in favor of NAFTA, in favor of GATT, a lot of things that I was not in favor of, but even this Mr. Thurow, who I would say leans toward the right in his economics, talks about the traditional family and ways in which you do not hear discussed here on the floor.

Let me quote from Mr. Thurow's article, which is about the economy. It is about what it means to have an economy which is throwing people overboard, wages are declining, hope is lessening because of the fact that nobody seems to care about the fact that you are undergoing this transition that is so devastating.

Mr. Thurow talks about the traditional family. Let me quote:

> The traditional family is being destroyed, not by misguided social welfare programs coming from Washington, although there are some government initiatives that have undermined family structures, but by a modern economic system that is not congruent with family values.

Let me quote that again, quoting Mr. Thurow:

> The traditional family is being destroyed, not by misguided social welfare programs coming from Washington, but by a modern economic system that is not congruent with family values. Besides falling real wages, America's other economic problems pale into insignificance. The remedies lie in major public and private investments, in research and development, and in creating skilled workers to ensure that tomorrow's high-wage, brain power industries generate much of their employment in the United States.

Let me just read that again:

> The traditional family is being destroyed, not by misguided social welfare programs coming from Washington, but by a modern economic system that is not congruent with family values. Besides falling real wages, America's other economic problems pale into insignificance. The remedies lie in major public and private investment and research and development, and in creating skilled workers to ensure that tomorrow's high-wage, brain power industries generate much of their employment in the United States.

Today we have on the floor a bill which turned its back on the effort to create skilled workers to ensure that tomorrow's high-wage brain power industries generate much of the employment in the United States.

The CAREERS bill is going in the opposite direction. The appropriations bill which reduced the funds available for education and job training by $9 billion is going in the opposite direction. The people in charge of the Government are not acting to promote the general welfare as they are charged with in the Constitution. They are not acting to take charge and understand that we are going through a transitional period, and because we are going through a transitional period, the Government and public policies must step in and do what the private sector can never do, what the private sector is not created to do, what the private sector has no duty to do. It is Government's duty.

Before I go on, let me just go back and read a complementary passage from Mr. Thurow related to the family. ''Falling real wages,'' a quote from Mr. Thurow again:

> Falling real wages have put the traditional family into play as the one-earner, middle class family becomes extinct. With children needing ever-more costly educations for ever-longer periods of time, the cost of supporting a family is rising sharply, just as earnings plunge.

I repeat:

> Falling real wages have put the traditional American family into play, as the one—earner, middle class family becomes extinct. With children needing ever-more costly educations for ever-longer periods of time, the cost of supporting a family is rising sharply, just as earnings plunge.

Continuing to quote Mr. Thurow:

> Children exist, but no one takes care of them. Parents are spending 40 percent less time with their children than they did 30 years ago. More than 2 million children under the age of 13 have no adult supervision, either before or after school. Paying for day care would use up all or most of a mother's wages.

This is not a minister talking, it is not a politician talking, this is an economist. This is an economist looking at the hard, cold facts of the way our society has been altered, the radical changes that are being forced on society by the changes in technology and by economic changes. It is not just somebody's morality is automatically lower or his character is no good, there are economic forces at work which are creating a situation where children exist, but no one takes care of them:

> Parents are spending 40 percent less time with their children than they did 30 years ago. More than 2 million children under the age of 13 have no adult supervision, either before or after school. Paying for day care would use up all or most of a mother's wages.

I think it is important to emphasize the fact that Mr. Thurow is not a minister, he is not a politician, or an opportunistic politician, trumpeting family values because that is the appealing message of the day. Mr. Thurow is a hard-core economist, and we should take a look at what he is focused on: The resources, the opportunities to earn a living, income, jobs, and who is the technological revolution going to benefit? That is the question.

Let me just go back for one more minute and repeat again:

> Besides falling real wages, America's other economic problems pale into insignificance. The remedies lie in major public and private investment and research and development, and in creating skilled workers to ensure that tomorrow's high-wage brain power industries generate much of the employment in the United States.

I am going to talk about that for the rest of this evening, the remedies. What are the remedies for a transitional economy which has produced a phenomenon where Wall Street and corporations are making the highest profits they have ever made, the economy is booming for Wall Street, while at the other end, workers are getting lower wages, and there are fewer jobs available. The streamlining or the downsizing which creates more profits as you replace human beings with machines creates misery on the bottom.

Nobody wants to stop the information revolution. The industrial revolution could not be stopped. It is foolish to try to stop it, it is foolish to try to put chains on capitalism. Capitalism is the order of the day. But it is up to Government to understand that this is a transition period with an upheaval taking place which is causing a great deal of dislocation and misery, and it is going to escalate and get worse at a more rapid pace, and we as Congressmen, Senators, mayors, everybody elected to office anywhere, we have the responsibility, and if we do not take hold of the burden of the catastrophe that is coming, it will be on our shoulders. We deserve to be blamed.

Mr. Thurow says,

> The remedies lie in major public and private investment and research and development and in creating skilled workers to ensure that tomorrow's high-wage, brain powered industries generate much of their employment in the United States.

I think Mr. Thurow is naive if he thinks that private industry is going to invest in that endeavor. Private industry will invest only if they see an immediate profit, and when that is over, they will let it go. It is Government. The remedy lies in major public investment. We have to, the Government has to do it. We have to go in the opposite direction of the bill on the House floor today.

The CAREERS bill should have been doubled in size. Oh, yes, there are problems in making it effective and efficient, there are problems in making

certain that there are jobs for people that are going to be there 10 or 20 years ago. All of those problems are soluble. It is like winning a war, it is like fighting a war, you do what you have to do, you develop the weapons you have to develop, you develop the systems you have to develop. You institute the policies for the training and for the recruitment, everything that has to be done. We are in a war to save America from economic chaos.

One of the things we have to do in order to win this war is to have a new approach to revenue. We have to have the money, the resources necessary. Taxpayers have to take a look at the revenue side of the problem and not just at the expenditure side. Yes, we need some cuts. I am in favor of cutting waste from government. Yes, it may be a good idea to have a balanced budget in 10 years, probably, or a longer period, not 7 years, but we ought to go toward a balanced budget as a way of getting accountability and squeezing the waste out of Government.

Yes, expenditures are always important. We must always be vigilant and make certain that we do not waste our resources, do not waste money, do not waste the taxpayers' dollars. On the other hand, there is a need for tax revenue, there is a need for a fair system of accumulating the revenue you need. The problem is that we are not looking at all at the revenue side enough.

We should take a look at the fact that revenue in America has been left in the hands of the Senate Finance Committee and the House Committee on Ways and Means. Mr. Speaker, these entities are part of a legislative body, but they have far too much power and the power has been abused and misused. They have done a horrendous job over the last 50 years.

The example I give over and over again, and any sophomore in high school can take a look at it, if you take a look at the revenue burden, the way the tax burden was structured in 1943, in 1943, corporations were paying 40 percent of the tax burden, were shouldering 40 percent of the tax burden in 1943, Individuals and families were shouldering 27 percent of the tax burden in 1943. From 1943 to 1995, today, individuals have gone from 27 percent of the tax burden to 44 percent of the tax burden. We are carrying 44 percent of the tax burden instead of 27 percent. In the same period of time, corporations have gone from 40 percent of the tax burden to 11 percent of the tax burden.

The people who are making the money on Wall Street, the profits are going to corporations. The folks who are making the money and getting the benefits of all of the years of science and technology and military research and development and law and order in the United States and wars that have been fought and won by American boys and the American total effort, those benefits are flowing to Wall Street, they are making the profits, yet they are paying the smallest share of the taxes. They are paying only 11 percent of the tax burden, while ordinary families and individuals are paying 44 percent of the tax burden.

One of the things we should be discussing is the way to balance the budget is to balance the tax burden, bring it down. Yes, give tax cuts. Families and individuals need tax cuts. I am certainly not in agreement with the Republican proposed tax cut which will give tax cuts to the people who are the owners of the corporations and the beneficiaries to the stocks and bonds.

We are giving the tax cuts to the wrong people. People, individuals and families do need a tax cut. We need to bring taxes down for individuals and families. But we do not have to drastically cut the flow of revenue, because we should be bringing up taxes for corporations from the 11 percent, we should go slowly up over a 10-year period and from the 44 percent for individuals and families, we should come down.

□ 2100

We should reach a point in 10 years where the burden is equally shared by corporations and individuals and families. In the process of doing that, you will find more revenue will be generated and less of a burden will be on individuals and families.

Additional revenue generated should be used to do what Mr. Thurow says needs to be done: Major public investment in job training, in research and development and creating new skills, new skilled workers. The money that you get from increasing the share of the tax burden borne by corporations should go into creating skilled workers, adult education, job training programs. That is where the answer lies.

We do not know exactly what the future holds in terms of which industries are going to prevail and what the exact specific occupational titles are going to be. But we have an idea that you are going to need very educated people. People are going to have to have a great deal of computer literacy. There are things we know already. There are things we can do already. But you need resources. You need finances. You cannot be cutting the budget for job training and adult education at a time like this. You should be using the increase in revenues coming from a fairer tax structure to finance the transition.

A massive program is needed. The GI Bill of Rights and the GI program that put thousands of men returning from World War II into colleges and universities and into trade schools, that massive endeavor, that massive undertaking by the American Government has been one of the best investments of public money ever in the history of the Nation or in the history of governments all over the world. They should show you where those trained GI's went, where they went after they left the universities and the colleges, where they went after they left the trade schools, what they did for the American economy. It should be a lesson, how a concentrated effort in the area of jobs training, adult education, and academic education, many of them went to colleges and universities, how it pays off. We need that kind of massive, intensively financed program now. You can do it without increasing the deficit. By raising the revenue that is produced by corporations, at the same time you can be bringing down the tax burden on individuals.

Several tax plans have been proposed. I want to conclude tonight by saying, my staff is preparing a bill which would call for the creation of a creative revenues commission, a creative revenues commission. We cannot leave it to Ways and Means. The Ways and Means Committee of the House of Representatives has shown that they will take us from a burden of 40 percent for corporations to 11 percent. At one time, under President Reagan in 1982, it went down as low as 8 percent. I serve on that Committee on Ways and Means and I might be accused of shirking my responsibilities. I am a Member of Congress. I stand on this floor. I vote for the bills that the Committee on Ways and Means brings here. But for your edification, it is important that you know that whenever a bill comes from Ways and Means which deals with taxes, there are no amendments allowed. We have never had on the floor of the House of Representatives an open rule for a Ways and Means bill, for bills that relate to taxation. You cannot amend. You can debate, but you have to debate what is brought to you by the committee.

The Senate Finance Committee, I suppose it may be a little different over there, but bills related to revenue and taxation have to originate here. The Constitution, they all come out of Ways and Means first. So Ways and Means and Members of Congress and Members of the House of Representatives and the Senate, we have betrayed the American people, some directly, some indirectly, by allowing a situation to develop where the burden of taxation borne by corporations has gone down from 40 percent to 11 percent. We have swindled the American people. We let the burden on them go up from 27 percent to 44 percent. We need to correct that. We need to address that.

If we cannot address it through the Ways and Means, then perhaps we should do what we are doing with the base closing. Base closings were such a difficult issue until we came up with a formula for retaining the power and the ultimate authority of Congress while at the same time taking advantage of the wisdom of more objective, nonpolitical, nonpartisan people out there. A Base Closing Commission was created. They go through a process. The President is involved and then we have the final say. They come back with rational recommendations. We

can vote them up or down. So the power of the representatives of the people is the final power. But we have a rational product produced by people who are not on the phone with lobbyists, lobbyists in their ears promising all kinds of things that they can deliver on. We are not overwhelmed by the almighty might of corporate wealth in the process of making decisions.

We can deal with the situation rationally. Let the revenue commission, the creative revenue commission take a look at all the proposals for tax reform that are now being proposed.

Senator LUGAR and the CATO Institute have proposed a national sales tax. They propose to replace personal and corporate income tax taxes with a 16 to 24 percent national sales tax on all consumable items except stocks and bonds. The benefits of this, according to Senator LUGAR and the CATO Institute is that it eliminates any complicated tax filing system.

Some of the problems with this is that it is regressive. Wealthy people would pay a smaller share of their income in taxes than lower middle income tax people. We would end up with people with the real wealth paying a smaller percentage of their income, and you probably would have the corporations bearing no greater proportion of the tax burden.

But that is a plan that has been put forward by Senator LUGAR and the CATO Institute. It deserves to be looked at by an objective, rational group of Americans who are chosen for their expertise and their knowledge of the economy and taxes, and they can constitute a creative revenue commission.

The gentleman from Texas, Mr. ARMEY, and Senator SPECTER have proposed a flat tax. The flat tax concept you have heard a lot about. It is not revenue neutral. In the process of enacting the flat tax, as the gentleman from Texas, Mr. ARMEY, is proposing and Senator SPECTER is proposing, if you enact it now the way they propose it, you will end up with a deficit of $187 billion.

We do not need a taxing plan which creates a greater deficit. The Armey-Specter plan would not treat all income the same. Only wage and pension income would be taxed, wages, the thing that hourly people work for, not the big executive compensation packages and great amounts of money. They would not be taxed. Only wages and pension income would be taxed.

Interest, capital gains, and other forms of unearned income would not be taxed. Wage and pension income would be taxed at a flat 20 percent rate in the first rate, dropping to 17 percent when the proposal is fully phased in. This tax would only apply to earned wages and pension income, as I said before. Corporate income tax would be replaced by modified value-added tax.

In the Armey-Specter flat tax plan, corporations will get away with even more than they get away with now. They are going to not have to pay any corporate income tax. We are going to have a value-added tax. Businesses would pay a 17-percent tax on their gross sales minus wages paid to employees.

The current deduction for entertainment expenses capped at 15 percent would be 100 percent. Tax withholding would be eliminated. Taxes would be paid monthly by each individual like any other bill. That is the Armey-Specter flat tax plan.

Send the plan on. I do not agree with it. I think it is a continuation of the advantages to the rich and advantages to corporations. But let us send it on. Send the Armey-Specter tax plan to the commission, the creative revenues commission.

There is a value-added tax proposed by the gentleman from Florida [Mr. GIBBONS]. He does not have a specific proposal, but his basic concept is that you can replace income and corporate income taxes with a consumption or value-added tax administered at point of sale by businesses.

Value-added taxes are being used in many industrialized countries, and there is a lot of experience with value-added taxes. Australia and the United States presently are the only Western nations that do not have broad based consumption taxes. All European nations use both consumption and income taxes.

All European nations use both consumption and income taxes together, but they are able to charge less, have less of a burden borne by income taxes because they have the value-added tax which is based on consumption. And generally it discourages people from consuming so much.

Americans consume more than any other industrialized nation. That is why our balance of payments, while we import so much more than we export, because we are always consuming, consuming, and we need more and we buy more from those places which do not consume quite as much. One of the reasons they do not consume as much is because the value-added tax increases the cost of consumption.

So I think it is one that really ought to be looked at very carefully and worked into some total scheme of taxation, of revenue production.

Let the commission take a close look at it. There is the Nunn-Domenici tax. The basic concept is that all income, wages, interest, et cetera, would be treated the same and subject to tax. The taxpayer would not pay any taxes on savings. In other words, savings would be deduced from income before calculating the tax. What you put in the bank as savings would be deducted from your income before calculating the tax. Individual exemptions and deductions would be eliminated.

This plan is silent on what the tax rates for individuals would be. It could maintain progressive rate structure. It might tax the rich at a greater percentage than it does the middle class and the poor, but it might not. We do not know. It is not spelled out.

They do say that businesses would be taxed at a 10-percent flat rate and will retain most of the current deductions that they have already. I think it is a grand ripoff. If you are going to let businesses and corporations not only do what they are doing now but get away with even more, right now they are paying 11 percent of the tax burden. We are going to give them a 10-percent flat rate, which means they will be paying less. And while we give them the flat rate, we are going to let them deduct what they deduct now. If they decide to pay the chairman of a corporation or the president of the corporation $10 million, that is deducted from their tax bill. That is a tax deduction.

There is no way to stop them. It they decide that they are going to up their budget for training and have a vast network of sumptuous training quarters all over the world and move their employees around from one beach to another and call it training, that is deductible. Anything that they decide to do they can make a little sense with, it is deductible.

So not only do they pay a very small percentage, 11 percent of the total tax burden, but they get away already with deductions which are horrific. If individuals could get away with those kinds of deductions, everybody's tax bill would go down a great deal.

What this Nunn-Domenici bill does do is create a powerful incentive for saving. And it is simpler than current law. The great problem with it is what I have just stated. Only the wealthy can save. The wealthy can save. Middle-income people can save. Those who can save more would benefit more. But those who can save the most would be the wealthiest people. So you would have again a skewed system where the system is advantageous for the people who are most wealthy.

Then there is the Gephardt flat tax. The Gephardt flat tax is revenue neutral. It would not increase the deficit as the Armey flat tax would. The Armey flat tax would increase the deficit by $187 billion. The Gephardt would not increase the deficit. All income, wages, interests, income, et cetera would be treated the same under the Gephardt flat tax plan. All income would be taxed except Social Security benefits.

A 10-percent flat rate would apply to 75 percent of all taxpayers. But progressively higher rates of 20 percent to 34 percent would apply to higher income taxpayers, and all of these rates are lower than the current rates. The only deductions that would be retained by the Gephardt flat tax are the mortgage interest deduction and job related expenses. You could deduct your mortgage interest as you do now and job related expenses.

That coincides with Mr. Thurow's remedy of jobs and job training being a

priority. If it is a priority, then one way the Government can show it is a priority is by allowing individuals to deduct any expenses related to job training. The Gephardt plan eliminates $50 billion in corporate welfare tax benefits that exist now.

□ 2115

The Gephardt plan requires a national referendum to raise taxes in the future. The Gephardt plan has a great benefit. It would actually reduce taxes for most Americans. You probably have guessed by now that I would say that the Gephardt plan is a superior plan. That is my individual opinion, but let it go to a tax revenue commission. We do not need my individual opinion, we do not need the opinions of the Committee on Ways and Means and the Committee on Ways and Means' schemes that have resulted in a drastic, uneven tax burden being borne by individuals and families versus corporations.

We do not need anybody's opinions. Let them all take a very close look at what is happening with these plans. Let them all examine these plans. They may look at some other creative proposals that have come forward, like we have proposed to tax—instead of selling the frequencies in the air, lease them. Why not lease them and tax the income on them? Why not, if you are going to sell them, put them in a trust fund and use that revenue for some purpose, as they are proposing with the public broadcasting?

Public broadcasting wants a certain portion of the revenue we get from selling the bands in the air, frequencies. There is another word for that. I cannot get it right now. We have auctioned off about 9 billion dollars' worth. Why not have trust funds which generate income? Why not have the savings and loans contribute, at least the $250 billion that they took out of the taxpayers' coffers, out of the Treasury? Why not have a tax on the financial industry, a temporary tax which is a surcharge on everybody connected with the financial industries, and get back our money that we put into the savings and loan industry? Why not take a look at that?

Why not look at a more rapid reforming of the mining laws, so we stop giving away gold mines and copper mines and coal mines for pennies? We sold a mine recently for $250 which is expected to generate billions of dollars in gold. There are a lot of things that this tax commission could look at. We need a creative revenue commission to take a look at all these possibilities, to come back to the American people with a new revenue generation plan which will be a plan with enough money to finance the transition.

We are transitioning from the industrial age to the information age. The money to pay for the transition for the job training, for the research and development, can come out of a new, creative revenue tax plan. We can balance the budget at the same time we generate that income, and this commission is the key. We should accept the responsibility that has been given to us as elected officials, and understand that the problem is our problem. We have to solve it. A creative revenue tax commission would be a great step forward in solving this monumental problem.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TORKILDSEN (at the request of Mr. ARMEY), for today until 11:45 a.m., on account of testifying at the North East Fisheries Management Council in Gloucester, MA.

Mr. FIELDS of Texas (at the request of Mr. ARMEY), for today after 2:30 p.m., on account of personal reasons.

Mrs. FOWLER (at the request of Mr. ARMEY), for today until 1 p.m., on account of illness.

Mr. TUCKER (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of official business.

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. KINGSTON) to revise and extend their remarks and include extraneous material:)

Mr. WHITE, for 5 minutes, today.

Mr. SAXTON, for 5 minutes, today.

Mrs. ROUKEMA, for 5 minutes, today.

Mr. GOSS, for 5 minutes, September 21.

Mr. KINGSTON, for 5 minutes, today.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

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

Ms. KAPTUR, for 5 minutes, today.

Mr. FRANK of Massachusetts, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

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

Mr. FOX of Pennsylvania, 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. DOGGETT) and to include extraneous matter:)

Mr. GIBBONS.

Mr. MORAN.

Mr. LANTOS.

Mr. JOHNSON of South Dakota.

Mr. ACKERMAN.

Mr. POSHARD.

Mr. LIPINSKI.

Mr. BERMAN.

Mr. JACOBS.

Mrs. MALONEY.

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

Mr. GALLEGLY.

Mr. BOEHNER.

Mr. FORBES.

Mr. BATEMAN.

Mr. GILLMOR.

Mr. CRANE.

Mr. BARTON of Texas.

Mr. PETRI.

Mr. DAVIS.

Mr. FLANAGAN.

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

Ms. HARMAN.

Mrs. ROUKEMA.

Mr. CONYERS.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 19 minutes p.m.), the House adjourned until tomorrow, Wednesday, September 20, 1995, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

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

1447. A letter from the Secretary of Energy, transmitting the Department's report entitled the ''Low Emission Boiler System Program''; jointly, to the Committees on Appropriations and Commerce.

1448. A letter from the Secretary of Transportation, transmitting notification of the actions the Secretary has taken regarding security measures at Eldorado International Airport, Bogota, Colombia, pursuant to 49 U.S.C. 44907(d)(3); jointly, to the Committees on Transportation and Infrastructure and International Relations.

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. ARCHER: Committee on Ways and Means. H.R. 2288. A bill to amend part D of title IV of the Social Security Act to extend for 2 years the deadline by which States are required to have in effect an automated data processing and information retrieval system for use in the administration of State plans for child and spousal support (Rept. 104–250). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCINNIS: Committee on Rules. House Resolution 223. Resolution waiving points of order against the conference report to accompany the bill (H.R. 1817) making appropriations for military construction for the Department of Defense for the fiscal year

ending September 30, 1996, and for other purposes (Rept. 104–251). Referred to the House Calendar.

Mr. QUILLEN: Committee on Rules. House Resolution 224. Resolution providing for consideration of the bill (H.R. 2274) to amend title 23, United States Code, to designate the National Highway System, and for other purposes (Rept. 104–252) Referred to the House Calendar.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 225. Resolution providing for the consideration of the bill (H.R. 927) to seek international sanctions against the Castro government in Cuba, to plan for the support of a transition government leading to a democratically elected government in Cuba, and for other purposes (Rept. 104–253). Referred to the House Calendar.

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. BUNN of Oregon:

H.R. 2351. A bill to provide that pay for Members of Congress be made subject to annual appropriations; to the Committee on House Oversight.

By Mr. EVERETT (for himself, Mr. STUMP, and Mr. MONTGOMERY):

H.R. 2352. A bill to increase, effective as of December 1, 1995, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to the Committee on Veterans' Affairs.

By Mr. HUTCHINSON (for himself, Mr. EDWARDS, Mr. STUMP, and Mr. MONTGOMERY):

H.R. 2353. A bill to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs relating to delivery of health and medical care, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CREMEANS:

H.R. 2354. A bill to provide for the continuance of oil and gas operations pursuant to certain existing leases in the Wayne National Forest; to the Committee on Resources.

By Mr. BASS:

H.R. 2355. A bill to amend the Internal Revenue Code of 1986 to allow a corporation to elect the pooling method of determining foreign tax credits in certain cases, and for other purposes; to the Committee on Ways and Means.

By Mr. GIBBONS (for himself, Mr. GEPHARDT, Mr. STARK, Mr. JACOBS, Mr. FORD, Mr. MATSUI, Mrs. KENNELLY, Mr. COYNE, Mr. LEVIN, Mr. MCDERMOTT, Mr. KLECZKA, Mr. LEWIS of Georgia, Mr. PAYNE of Virginia, Mr. NEAL of Massachusetts, and Mr. WARD):

H.R. 2356. A bill to amend the Internal Revenue Code of 1986 to prevent the avoidance of tax through the use of foreign trusts; to the Committee on Ways and Means.

By Mr. JOHNSON of South Dakota:

H.R. 2357. A bill to amend the Internal Revenue Code of 1986 to correct a technical error in the expiration date for refunds on alcohol fuels; to the Committee on Ways and Means.

By Mr. LATOURETTE:

H.R. 2358. A bill to suspend until January 1, 1998, the duty on certain electrical capacitors; to the Committee on Ways and Means.

By Mr. MCCOLLUM:

H.R. 2359. A bill to clarify the method of execution of Federal prisoners; to the Committee on the Judiciary.

H.R. 2360. A bill to amend title 18, United States Code, to permit Federal prisoners to engage in community service projects; to the Committee on the Judiciary.

By Mr. MOORHEAD:

H.R. 2361. A bill to amend the commencement dates of certain temporary Federal judgeships; to the Committee on the Judiciary.

By Mr. PETRI (for himself, Mr. BARRETT of Wisconsin, Mr. MEEHAN, Mr. ZIMMER, Mr. MILLER of Florida, Mr. DORNAN, Mr. ROHRABACHER, Mr. HOKE, and Mr. JACOBS):

H.R. 2362. A bill to terminate marketing orders regulating the price of milk at the end of 1995 and to provide for the gradual reduction and eventual elimination of the price support program for milk; to the Committee on Agriculture.

By Mrs. ROUKEMA (for herself, Mr. LEACH, Mr. MCCOLLUM, Mr. ROTH, Mr. BAKER of Louisiana, Mr. BACHUS, Mr. VENTO, Mr. FLAKE, Mr. ROYCE, Mr. LUCAS, Mr. WELLER, Mr. METCALF, and Mr. WATTS of Oklahoma):

H.R. 2363. A bill to provide for adequate funding for the Financing Corporation, to provide for the merger of the deposit insurance funds, to provide for the conversion of Federal savings associations into banks and the treatment of State savings associations as banks for purposes of Federal banking law, to abolish the position of Director of the Office of Thrift Supervision, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Ways and Means, 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. SHADEGG (for himself, Mr. DELAY, Mr. MCINTOSH, Mr. LARGENT, Mr. BARTON of Texas, Mrs. CUBIN, Mr. SMITH of Texas, Mr. DOOLITTLE, Mr. STUMP, and Mr. RADANOVICH):

H.R. 2364. A bill to provide incentives for the conservation and recovery of endangered species, and for other purposes; to the Committee on Resources, and in addition to the Committees on the Judiciary, and Ways and Means, 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. TALENT:

H.R. 2365. A bill to amend the Internal Revenue Code of 1986 to allow deductible contributions to individual retirement plans designated as Retirement Years Savings Accounts; to the Committee on Ways and Means.

By Mrs. VUCANOVICH (for herself and Mr. WAXMAN):

H.R. 2366. A bill to repeal an unnecessary medical device reporting requirement; to the Committee on Commerce, and in addition to the Committee on Ways and Means, 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.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

161. By the SPEAKER. Memorial of the General Assembly of the State of California, relative to the Civilian Health and Medical Program of the Uniformed Services; to the Committee on National Security.

162. Also, memorial of the General Assembly of the State of California, relative to manufactured housing; to the Committee on Banking and Financial Services.

163. Also, memorial of the General Assembly of the State of California, relative to the auction of radio frequency spectrum; to the Committee on Commerce.

ADDITIONAL SPONSORS

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

H.R. 44: Mr. POMEROY, Mr. GOSS, Mr. HOSTETTLER, Mr. BISHOP, and Mr. GILLMOR.

H.R. 123: Mrs. LINCOLN, Mr. TIAHRT, Mr. HOSTETTLER, and Mr. THOMAS.

H.R. 373: Mr. MOORHEAD.

H.R. 436: Mr. FRANKS of New Jersey.

H.R. 580: Ms. DANNER and Mr. BALLENGER.

H.R. 733: Mr. TALENT and Mr. BARTON of Texas.

H.R. 752: Mr. FORD, Mr. BROWN of Ohio, Mr. PETERSON of Minnesota, and Mr. HINCHEY.

H.R. 773: Mr. MCINNIS.

H.R. 789: Mr. WELLER, Mr. SCHIFF, Mr. KOLBE, Mr. TIAHRT, and Mr. BARTON of Texas.

H.R. 842: Mr. MINGE and Mr. GANSKE.

H.R. 972: Mr. GILMAN.

H.R. 997: Mr. LEACH, Mr. PETERSON of Minnesota, Mr. HALL of Ohio, Mrs. CHENOWETH, and Ms. LOFGREN.

H.R. 1021: Mr. BATEMAN.

H.R. 1023: Mr. FROST, Mr. DIAZ-BALART, Mrs. MINK of Hawaii, and Mr. BATEMAN.

H.R. 1114: Mr. TAYLOR of North Carolina, Mr. SCHIFF, and Mr. DEAL of Georgia.

H.R. 1402: Mr. SANDERS.

H.R. 1458: Mr. GILMAN.

H.R. 1625: Mr. HYDE and Mr. DOOLITTLE.

H.R. 1744: Mr. MATSUI.

H.R. 1856: Mr. STUPAK, Ms. LOFGREN, Mr. BENTSEN, Mr. BALLENGER, Mr. GOODLATTE, Mr. COX, Mr. PICKETT, and Mr. BARTLETT of Maryland.

H.R. 1960: Mr. DELAY.

H.R. 1963: Mr. WELDON of Pennsylvania.

H.R. 1972: Mr. PETRI, Mr. YOUNG of Alaska, Mrs. KELLY, Mr. CHAPMAN, Mrs. VUCANOVICH, Mr. EHRLICH, and Mr. ALLARD.

H.R. 2026: Mr. ROBERTS, Mr. HILLEARY, Mr. MOORHEAD, Mr. BATEMAN, Mr. LEWIS of Kentucky, Mr. NEY, Mr. EMERSON, Mr. BOEHNER, Mr. CHAMBLISS, Mrs. CHENOWETH, Mr. LATHAM, Mr. BROWNBACK, Mr. STUMP, and Mr. BRYANT of Tennessee.

H.R. 2090: Mr. WELDON of Florida, Mrs. MYRICK, Mr. SOUDER, Mr. WICKER, and Ms. LOFGREN.

H.R. 2092: Mr. SCOTT, Mr. COBLE, Mr. KLECZKA, Mr. FILNER, Mr. OWENS, Mr. GONZALEZ, Mr. ROMERO-BARCELO, Ms. PELOSI, Mr. FROST, Mr. MINETA, Mrs. LOWEY, and Mr. JOHNSTON of Florida.

H.R. 2132: Ms. PELOSI, Mr. FRAZER, and Ms. LOFGREN.

H.R. 2137: Mr. FOLEY and Mr. HASTINGS of Washington.

H.R. 2152: Mr. RAHALL, Mr. EHLERS, Mr. DIAZ-BALART, and Mr. SCARBOROUGH.

H.R. 2156: Mr. ACKERMAN.

H.R. 2181: Mr. FILNER.

H.R. 2185: Mr. GENE GREEN of Texas, Mr. ACKERMAN, Mr. WAXMAN, Mr. MARTINEZ, Ms. DELAURO, and Ms. WOOLSEY.

H.R. 2200: Mrs. SMITH of Washington, Mr. SCOTT, Mr. ROBERTS, Mr. LARGENT, Mr. HALL of Ohio, Mr. HASTINGS of Washington, Mr. HASTERT, and Mr. DELAY.

H.R. 2202: Mr. NORWOOD and Mr. RIGGS.

H.R. 2330: Mr. BRYANT of Tennessee, Mr. HUTCHINSON, and Mr. BONILLA.

H.R. 2342: Mr. COMBEST, Mr. STOCKMAN, Mr. THORNBERRY, Mr. GENE GREEN of Texas, Mr. FROST, and Mr. SKEEN.

H. Con. Res. 47: Mr. YATES, Mr. MCCOLLUM, Mr. SHAYS, Mr. SAXTON, Mr. POMBO, and Ms. FURSE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

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

H.R. 1883: Mr. WELDON of Pennsylvania.

PETITIONS, ETC.

Under clause 1 of rule XXII

41. The SPEAKER presented a petition of the council of the city of Warren, OH, relative to the National Manual on Uniform Traffic Control Devices; which was referred to the Committee on Transportation and Infrastructure.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 927

OFFERED BY: MR. STEARNS

(Page and line number references are to H.R. 2347)

AMENDMENT NO. 3: Add at the end of title I the following:

SEC. 112. CONGRESSIONAL NOTIFICATION OF CONTACTS WITH CUBAN GOVERNMENT OFFICIALS.

(a) ADVANCED NOTIFICATION REQUIRED.—No funds made available under any provision of law may be used for the costs and expenses of negotiations, meetings, discussions, or contacts between United States Government officials or representatives and officials or representatives of the Cuban Government relating to normalization of relations between the United States and Cuba unless 15 days in advance the President has notified the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate in accordance with procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance act of 1961.

(b) REPORTS.—Within 15 days of any negotiations, meetings, discussions, or contacts between individuals described in subsection (a), with respect to any matter, the President shall submit a report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate detailing the individuals involved, the matters discussed, and any agreements made, including agreements to conduct future negotiations, meetings, discussions, or contacts.

H.R. 1617

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 29: Page 27, after line 24, insert the following:

SEC. 7. PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this Act should be American-made.

(b) NOTICE REQUIREMENTS.—In providing financial assistance to, or entering into any contract with, any entity using funds made available under this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

H.R. 2274

OFFERED BY: MR. BEILENSON

AMENDMENT NO. 19: Page 59, after line 7, insert the following:

(c) GUARANTEE AND WARRANTY CLAUSES.—Section 112 of title 23, United States Code, is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following:

''(f) GUARANTEE AND WARRANTY CLAUSES.—The Secretary shall, by regulation, permit a State highway department, in accordance with standards developed by the Secretary in such regulations, to include a clause in a contract for the construction of any Federal-aid highway project requiring the contractor to warrant the materials and work performed in accordance with the contractor's obligations and responsibilities under the terms of the contract. The warranty or guarantee clause shall be reasonably related to the materials and work performed and in accordance with the contractor's obligations and responsibilities under the terms of the contract and shall not be construed to require the contractor to perform maintenance.''.

(d) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall initiate a rulemaking proceeding for developing standards under section 112(f) of title 23, United States Code, as added by subsection (c) of this section.

H.R. 2274

OFFERED BY: MR. KIM

AMENDMENT NO. 20: At the end of title III of the bill, add the following:

SEC. 354. ADVANCED CONSTRUCTION.

Section 115(d) of title 23, United States Code, is amended to read as follows:

''(d) LIMITATION ON ADVANCED FUNDING.—The Secretary may approve an application under this section for a project in a State authorized under section 103(e)(4), 104, 144, or 307, as the case may be, if the total amount of funds approved in applications for such projects do not exceed currently authorized funds for such State, plus an amount equal to the amount of the final year currently authorized funds for the State.''.

Conform the table of contents of the bill accordingly.

H.R. 2274 Offered By: Mrs. Lowery

AMENDMENT NO. 21: At the end of title III of the bill, insert the following:

SEC. 354. OPERATION OF MOTOR VEHICLES BY INTOXICATED MINORS.

''(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by adding at the end the following:

''§ 161. National standard to prohibit the operation of motor vehicles by intoxicated minors

''(a) WITHHOLDING OF APPORTIONMENTS FOR NON-COMPLIANCE.—

''(1) FISCAL YEAR 1999.—The Secretary shall withhold 5 percent of the amount required to be apportioned to any State under each of paragraphs (1), (3), and (5) of section 104(b) of October 1, 1998, if the State does not meet the requirement of paragraph (3) on such date.

''(2) THEREAFTER.—The Secretary shall withhold 10 percent (including any amounts withheld under paragraph (1)) of the amount required to be apportioned to any State under each of paragraphs (1), (3), and (5) of section 104(b) on October 1, 1999, and on October 1 of each fiscal year thereafter, if the State does not meet the requirement of paragraph (3) on such date.

''(3) REQUIREMENT.—A State meets the requirement of this paragraph if the State has enacted and is enforcing a law that makes unlawful throughout the State the operation of a motor vehicle by an individual under the age of 21 who has a blood alcohol concentration of 0.02 percent or greater.

''(b) PERIOD OF AVAILABILITY; EFFECT OF COMPLIANCE AND NONCOMPLIANCE.—

''(1) PERIOD OF AVAILABILITY OF WITHHELD FUNDS.—

''(A) FUNDS WITHHELD ON OR BEFORE SEPTEMBER 30, 2000.—Any funds withheld under subsection (a) from apportionment to any State on or before September 30, 2000, shall remain available until the end of the third fiscal year following the fiscal year for which such funds are authorized to be appropriated.

''(B) FUNDS WITHHELD AFTER SEPTEMBER 30, 2000.—No funds withheld under this section from apportionment to any State after September 30, 2000, shall be available for apportionment to such State.

''(2) APPORTIONMENT OF WITHHELD FUNDS AFTER COMPLIANCE.—If, before the last day of the period for which funds withheld under subsection (a) from apportionment are to remain available for apportionment to State under paragraph (1), the State meets the requirement of subsection (a)(3), the Secretary shall, on the first day on which the State meets such requirement, apportion to the State the funds withheld under subsection (a) that remain available for apportionment to the State.

''(3) PERIOD OF AVAILABILITY OF SUBSEQUENTLY APPORTIONED FUNDS.—Any funds apportioned pursuant to paragraph (2) shall remain available for expenditure until the end of the third fiscal year following the fiscal year in which such funds are so apportioned. Sums not obligated at the end of such period shall lapse or, in the case of funds apportioned under section 104(b)(5), shall lapse and be made available by the Secretary for projects in accordance with section 118.

''(4) EFFECT OF NONCOMPLIANCE.—If, at the end of the period for which funds withheld under subsection (a) from apportionment are available for apportionment to a State under paragraph (1), the State does not meet the requirement of subsection (a)(3), such funds shall lapse or, in the case of funds withheld from apportionment under section 104(b)(5), such funds shall lapse and be made available by the Secretary for projects in accordance with section 118.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

''161. National standard to prohibit the operation of motor vehicles by intoxicated minors.''.

Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. MILLER OF CALIFORNIA

AMENDMENT NO. 22. Page 97, after line 12, add the following:

SEC. 354. PROHIBITION ON PAYMENT OF SAFETY BONUSES.

Amounts in the Highway Trust Fund established by section 9503 of the Internal Revenue Code of 1986, and non-Federal funds required by law as a condition for the receipt of such amounts, may not be expended for the payment of a safety bonus to a contractor.

Conform the table of contents of the bill accordingly.

H.R. 2274

OFFERED BY: MR. NADLER

AMENDMENT NO. 23: Page 90, line 17, strike ''for only those'' and all that follows through the period on line 18 and insert the following:

in accordance with State law.

H.R. 2274

OFFERED BY: MR. NADLER

AMENDMENT NO. 24, Page 97, after line 12, add the following:

SEC. 354, EXTENSION OF DEADLINE FOR REPAYMENT OF FUNDS.

The Secretary shall extend by 2 years the deadline by which the State of New York is required under section 103(e)(7) of title 23, United States Code, to make a repayment to the Highway Trust Fund in connection with Federal funds expended to acquire property for a portion of Interstate Route 478 which was withdrawn from the Interstate System in accordance with the provisions of section 103(e)(4) of such title.

Conform the table of contents accordingly.

H.R. 2274

OFFERED BY MR. OBERSTAR

AMENDMENT NO. 25, Page 92, strike lines 15 through 17, and insert the following:

Section 154 of title 23, United States Code, is amended by adding at the end the following:

''(j) REPEAL.—The provisions of this section and section 141(a) shall not be effective with respect to a State if the Governor of the State—

''(1) prepares and submits to the Secretary and to the legislature of the state a report (using data available to the Governor on the date of the enactment of this subsection) on costs to the State of deaths and injuries resulting from motor vehicle crashes; and

''(2) enters into an agreement with the secretary under which the Governor agrees to prepare and submit to the Secretary and to the legislature of the state in fiscal year 1997, and biennially thereafter, a report (using methods approved by the Secretary) on costs to the State of deaths and injuries resulting from motor vehicle crashes.''.

H.R. 2274

OFFERED BY: MR. RAHALL

AMENDMENT NO. 26, 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. 27, Strike section 348.

H.R. 2274

OFFERED BY: MS. VELÁZQUEZ

AMENDMENT NO. 28, At the end of title III of the bill, insert the following:

SEC. 254. GOWANUS EXPRESSWAY REHABILITATION PROJECT, NEW YORK CITY, NEW YORK.

No Federal funds may be expended for the Gowanus Expressway rehabilitation project in New York City, New York, until the Secretary determines that a major metropolitan transportation investment study has been conducted for such project in accordance with the requirements of part 450 of title 23, Code of Federal Regulations, as in effect on the date of the enactment of this Act.

Conform the table of contents of the bill accordingly.

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of America

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Senate

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9 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:

Gracious God, You have chosen and called us to know, love, and serve You as leaders of our Nation. We praise You for the wondrous gift of life and the privilege of living this day to the fullest. You are for us and not against us and seek to liberate us from anything that would debilitate us in living and working with freedom and joy, peace and productivity. Thank You for setting us free from any burdens of worry and anxiety, so we can think creatively for You today. We commit to You the challenges and decisions we will face and thank You that You will give us exactly what we need to serve You with excellence each hour. We claim Your promise to give us strength today, peace in the pressures, light for the way; help from above, the gift of wisdom, the assurance of love. When this day is done we will be careful to give You the praise for all that You have accomplished through our efforts. Give us positive expectation of Your timely interventions and an attitude of gratitude for Your guidance. In the name of our Lord through whom we have assurance of life now and forever. Amen.

SCHEDULE

Mr. THOMAS. Mr. President, for the information of all Senators, this morning there will be a period of morning business until the hour of 9:30. At 9:30, the Senate will resume consideration of H.R. 1976, the agricultural appropriations bill, and the pending Bryan amendment.

In accordance with the consent arrangement, following 15 minutes of debate there will be a rollcall vote on or in relation to the Bryan amendment. All Senators should therefore be alerted that there will be a rollcall vote at approximately 9:45 this morning.

Senators also should be reminded that following the recess for party conferences today, the Senate will resume the welfare bill, with a series of rollcall votes beginning at 2:45, which should complete action on the welfare reform bill.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 9:30, with Senators permitted to speak therein for up to 5 minutes each.

The Senator from Missouri.

THE WELFARE SYSTEM

Mr. ASHCROFT. Mr. President, today we embark upon a most important responsibility, a responsibility that the people of this country called upon us to undertake in the elections of 1994. I must say that I believe the people have been yearning that Congress confront this challenge forthrightly and productively for years. But I believe that the Congress has finally gotten the message, and we have been working very hard to change the welfare system—to change it from a system for keeping the poor and maintaining the poor. And, unfortunately, that is what we have done. We have maintained them and kept them poor through a system that should have become a transitional system, a system that would help people move from poverty to prosperity, move from welfare to work. And it is an important responsibility which we have.

The welfare system in the United States has been a system of failure. It has not been that the people have failed so much as the system has failed. We started out with an aggressive program in the 1960's to launch a war on poverty. And yet, in spite of the great war on poverty, spending over $5 trillion, we have more people in poverty now than we did when we started the war on poverty. We have a greater percentage of the children of America on poverty than we did when we started the war on poverty.

It occurs to me that we have a great responsibility to change this system—to change it profoundly so that, instead of a system which ends up trapping people in lives of poverty, we make this a transitional system; that, when people really need help, we move them from the desperation of needing help to the opportunity of work and responsibility.

So this national system which has become a national disgrace is the topic now of national debate, and it should be the topic of action in the Senate today.

As you and I well know, and as our colleagues here in the Senate well know, the House has already acted forthrightly in this respect. There are differences between what the House has passed and what those of us in the Senate have been working on. But we can find a way to reconcile our differences, and I believe we can give to the President of the United States, who has said that he wants to end welfare as we know it, a constructive bill.

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

During the past several weeks we have debated this measure, and we have properly spent substantial time on it because this is no small item. It does not just deal with the billions and billions of dollars. The welfare problem, the welfare challenge, deals with much money. It deals with the great set of natural and national resources—not just financial but human resources.

The fact of the matter is that the United States of America can ill afford to compete on the international scene, can ill afford to be a part of the challenge for productivity as one nation will seek to do and do better than another nation, if we have so many of our players that are not really on the field. We would not think of sending our team out to play another team for a Saturday or Sunday afternoon football game with half of our team not taking the field, not being capable of participating, and being ruled out of the system. Well, our team is a big team, and it is a strong team. It is a capable team in the United States. But we have too many that have been consigned to bench duty without any possibility of making it to the field. And we will not win in the competition of the international arena unless we find a way to bring people into productivity and out of poverty.

So the real challenge we face is changing the system, and changing it not just by tinkering around the edges. No rearrangement of the deck chairs on the welfare *Titanic* will get the job done. We need to have the kind of profound changes that will move people out of despair into industry, and out of hopelessness into opportunity.

So we will vote on a clear question today, and that is whether we will continue to fund the horror that came to define the United States welfare system and which came to detail the lives of individuals trapped in this system. Whether we have the courage to change that or not will be the real vote which we make today. I believe we have the courage to do that which is right, and I believe we will do so. And I believe we ought to do so.

I would say that this is not an ideal welfare bill. This is not something that is in my judgment the best that could be done. There are probably changes that almost every Member of this Chamber would make in the bill. I believe that the right thing to do would have been far broader, not just block granting AFDC with an option to block grant food stamps. In my judgment we should have had AFDC, food stamps, Medicaid and Supplemental Security Income. The big four of welfare should all have been in this bill, all reformed at the same time for a variety of reasons, such as stopping the insanity of entitlement spending. We should avoid cost shifting that would take people out of one program in which we removed the entitlement status and shove them over into another program which has remained as an entitlement. That kind of cost shifting should not be allowed. It should be avoided.

I would have preferred a more comprehensive bill. Obviously, I would have preferred one where the block grant for food stamps was mandated. I would have preferred one where we had Supplemental Security Income. I would have preferred a bill that would have had a more significant breadth, that had Medicaid in it as well. But we are making some first steps, and they are important first steps.

One of the important first steps is the reduction in bureaucracy here; the reduction in the redtape, the reduction in this micromanagement, this intermeddling micromanagement from the Federal Government which makes it very difficult for the States to adopt policies that will really make a difference and makes it very expensive when you have to comply with hundreds of pages of Federal bureaucratic redtape. It is expensive. Instead of money getting to the truly needy, instead of the resource making it to the population that wants to move from welfare to work, sometimes the resource gets clogged in the bottleneck of the bureaucracy and the money is spent there instead of being spent on the poor. We are going to reduce the number of regulatory impositions from Washington substantially. This bill will improve our ability to deliver the real kind of help that people need. That is important—maximum State flexibility.

Second, I believe it is important that we will end an entitlement. This philosophy that we do not care how much it costs, that as many people as can meet certain criteria are just entitled to self-appropriate to themselves—that has to stop. It is a major thing. First, reduce the bureaucracy; second, end entitlement; third, we are going to require work far more pervasively than ever before.

The American people have told us with a clarity that is unmistakable. We must require work, and, of course, provide the flexibility so that people can do in the various States and communities of this country what works there, not what somebody in Washington wants to impose, but to do simply what works.

This bill makes a statement that Washington does not have all the answers. We are now looking to the communities and the States to do what works there, to tailor programs, and to be experimental stations to say we will try this, and, if it works here, others might want to try it. But it should not be imposed on them because people should have an opportunity to do what works to move people from poverty to productivity. Washington, it may be said, has been the mad scientist seeking to impose its will. But the truth of the matter is we need to provide an opportunity for States to do that which works.

Well, this bill comes with an explicit admonition as well. This bill recognizes that Government alone will not solve these problems. And I think that it is important for us to express nationally and as a part of policy that we really expect charitable and nongovernmental institutions in this culture to rally to address this problem, and not expect the problem to be solved fully by Government.

So we have in this bill a specific invitation to private charities, nongovernmental entities, even faith-based organizations to participate in the solution of this serious challenge to the success of this society in the next century. And I believe that is a major step forward.

We have an opportunity. We have an opportunity to do something that is substantially in the best interests of the people of this country, something they have yearned for us to do. That is to change a welfare system which is badly broken, which has been the keeper of the poor and has kept people poor, which has managed to find more people in poverty after its great effort than less people in poverty.

The war on poverty has resulted in the children of America being taken as prisoners. We have to do something, and we have to do it well.

As I previously stated, this welfare reform bill is not perfect, but it does take the first steps. The lack of perfection in this bill, the absence of a mandate that the Food Stamp Program be sent to all the States, the lack of reforms to the SSI Program in the bill, are some of a number of things which keep it from being perfect but should not keep it from being passed.

This bill gives us the opportunity to say, ''Let us pass this bill, but let the imperfections drive us to keep our focus and in the next year to continue to improve and extend it.''

There has been a lot of talk in the last few weeks during the welfare reform debate about money and about resources. We know how desperately important it is for us to balance the budget, but the ultimate importance of this bill is not money. The savings we are talking about are the savings in lives and opportunities and, through those savings, the future of America. Our task in this welfare reform measure is then to save the lives and opportunities of citizens. To pass this welfare reform bill today would be a real step toward saving lives, and we must support it and must be driven by its imperfections to do even more when we reconvene next year.

THE DEATH OF STATE SENATOR JOHN PLEWA

Mr. FEINGOLD. Mr. President, I am deeply saddened by the loss of a dear friend and former colleague, State Senator John Plewa.

I had the pleasure of serving with John in the legislature for 10 years, and for 8 of them in the State senate. He represented the people of Wisconsin, first in the assembly, and then in the

State senate, with dedication and devotion, and his constituents returned him to office at every election since he was first elected in 1972. At the time of his death, John had the fourth longest tenure among lawmakers currently serving in the Wisconsin Legislature.

John was a lifelong resident of Milwaukee, graduating from Don Bosco High School in 1963. He earned a bachelor of education degree in 1968 at the University of Wisconsin-Whitewater, and following that, taught history and social studies at Milwaukee Area Technical College prior to his service in the legislature.

A committed and passionate advocate for Wisconsin's families, John may be best remembered as the father of Wisconsin's family and medical leave law, which allows people to take time off from their job to provide assistance to a family member needing care, from newborns to an elderly relative—a law that helped pave the way for the Federal family leave law that was enacted in 1993.

His commitment to families in need went well beyond the family leave law. John was vice chair of the Senate Aging Committee when I chaired that body, and I saw first-hand his steadfast and effective support of long-term care reforms that help people with disabilities of all ages remain in their own homes with their families.

John was also vitally concerned with housing policy, serving on the board of Wisconsin's Housing and Economic Development Authority for 10 years. I had the pleasure of working with John in this area as well when we coauthored Wisconsin's Housing Trust Fund, to provide flexible help to families in need of decent, affordable housing.

John would have been 50 years old this Friday. But even though he did not live to celebrate that anniversary, he left Wisconsin an impressive legacy.

Today, thousands are able to take time from work to care for a family member without the fear of losing that job. Other families are finally able to afford a decent home. Wisconsin families, who otherwise might be forced apart because of a long-term disability, are able to remain together, and individuals needing long-term care, who otherwise might be forced to seek services in an institution, are able to remain in their homes. All because of John Plewa. Wisconsin families have lost one of their foremost champions, and I know they join in offering their sympathy to the friends and colleagues John leaves behind, to his staff, and most especially to John's wife Susan and their two sons.

We will miss him.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now soaring toward $5 trillion, has been fueled for a generation now by bureaucratic hot air—and it is sort of like the weather—everybody talks about it but almost nobody did much about it until immediately after the elections in November 1994.

But when the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republicans supported the balanced budget amendment—that was the good news.

The bad news was that only 13 Democrats supported it—which killed hopes for a balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senator's are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or in 1996.

Here is today's bad debt boxscore:

As of the close of business Monday, September 18, the Federal debt—down to the penny—stood at exactly $4,963,468,747,991.22 or $18,841.41 for every man, woman, and child on a per capita basis.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from North Dakota is recognized.

ORDER OF PROCEDURE

The PRESIDING OFFICER. At 9:30, the Senate is to go to the previous order. There is at least one other speaker, possibly two, so could we have a division of time so that everyone will have an opportunity to speak.

Mr. DORGAN. Madam President, I ask unanimous consent that I be allowed to speak for 4 minutes; I believe the Senator from Connecticut would like to speak for 4 minutes, and the Senator from Wyoming would like to speak for 4 minutes, and have the time adjusted at 9:30 to accommodate this request.

Mr. COCHRAN. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. COCHRAN. Reserving the right to object, Madam President, I was unable to hear the entire consent request.

Could the Senator restate it?

The PRESIDING OFFICER. It would extend morning business beyond 9:30.

Mr. COCHRAN. Madam President, I am constrained to object to that. We made it very clear last night what the times were. We have Senators who have rearranged schedules to be here.

Mr. DORGAN. I withdraw my request, Madam President.

The PRESIDING OFFICER. Would it be possible to give 2 minutes to each of the three speakers?

Mr. DORGAN. Madam President, I request each of the three be allocated 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

WELFARE REFORM

Mr. DORGAN. Madam President, I intend to vote for the welfare reform bill today. It is not a perfect piece of legislation, but it does advance some of the issues that I think need to be advanced and begin some new directions that I think are necessary.

There is no disagreement in this Chamber about the proposition that the current welfare system does not work very well. There ought not be any disagreement in this Chamber either about the fact that when we change our welfare system, we ought to make sure we protect America's children.

There is a stereotype about welfare that is fundamentally inaccurate, that welfare is a woman who has 16 kids because it is profitable to have children; that welfare is some able-bodied person lying in a Lazy Boy recliner drinking beer, watching color television, and who is essentially slothful, indolent, and unwilling to work.

The fact is, that is not the statistical welfare recipient. The size of the average welfare family is almost identical to the size of the average American family.

Two-thirds of the people on welfare are kids under 16 years of age. As we go about trying to figure out how to change the system, we have to understand our obligation to protect children. We also need to provide the right incentives and to provide some hope to those who are hopeless, to extend a hand of help to those who are helpless, but also to say to them that welfare is temporary. We extend the hand of help because you need it, and it is to help you get up and out, to go get a job and be productive and be able to care for yourself.

These are the kinds of incentives we want to be included in this welfare reform bill. We have accomplished some of those goals, some of those goals we have not.

The Senator from Connecticut, who is going to speak for a couple of minutes, put a very important provision in this bill dealing with child care. That is enormously important and will allow a number of us to vote for this legislation. As I said, this bill is not perfect. I am concerned about the notion of block granting money, of wrapping up money and sending it to the States and saying, ''By the way, here is some money you didn't collect. Go ahead and spend it.''

I am concerned about a number of other things in the bill, but I do think it advances the welfare reform debate as it leaves the Senate. I do not know whether I will vote for it when it comes back from conference. I hope it will come out of conference as a good welfare reform bill, as well.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. THOMAS. Madam President, I rise in support of the welfare proposal that will be before us today. We have talked about it a very long time. Obviously, there are different views about how it should be implemented but, most of all, it is the first opportunity

we have had in a very long time to make some changes, to make some of the kinds of changes that the American people asked us to make in November and, indeed, have been asking us to make for some time.

It is the first opportunity in a long time to make some of the kinds of changes that most of us have known needed to be made for a long time in the welfare program. Most everyone agrees that we need a program in this country to help people who need help and help them back into the workplace. The program as it now exists has not accomplished that. Indeed, the program we now have has not accomplished the basic things we think it should accomplish.

The provisions of this welfare proposal will allow us to encourage people back to work, to put in some incentives to go back to work, and to deal very properly with the notion of child care, with extending health benefits to single-parent families so that that parent can work.

We have done this in our own Wyoming Legislature. We recognized some time ago that if the option was to take a minimum wage job and lose those benefits, then the better thing to do was stay on welfare. We have to change that. We do have to make some changes if we expect different results, and too often we all talk expansively about change; we want to make change; we are all for change; but when the time comes, we really resist change. We simply cannot expect the results to be different unless we do some changing, and one of the principal, most important changes here is to allow the States to have more flexibility, to allow the States to be the laboratory for developing and testing and creating programs that, indeed, deliver the kinds of programs needed.

I urge my fellow Senators to vote in support of this welfare bill today.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Connecticut is recognized.

Mr. DODD. I thank the Chair.

Madam President, just very briefly regarding the welfare reform proposal, this is a substantially improved product from what the other body, the House of Representatives, has passed. It is certainly improved over what was originally proposed by the majority leader in the areas of child care, maintenance of effort, and a number of other areas that have been included as part of this proposal. My concern is, of course, that this may be the best it ever gets and that as we go to conference, as historically happens, you find some sort of middle ground between what the Senate has done and what the House of Representatives has done.

If that is the case, this bill will come back to us from conference in a very weakened position. And so while I think there will be a substantial vote for the proposal today, having spoken now with a number of our colleagues, particularly on this side, Madam President, it should not be construed, if the vote is a strong vote for the Senate proposal, that this is some indication of a willingness to support whatever comes back from conference.

In order to have intelligent welfare reform, you have to make investments. The distinguished Senator from New York [Mr. MOYNIHAN], who, as I mentioned at the outset of this debate, knows more about welfare reform than most of us will ever know about the issue, has warned that if we do not make these investments, we are going to be looking down the road at a tragic situation.

It is not enough just give the issue back to the States. The problems exist primarily at the local level, the city and town level. I do not know how many States are necessarily going to allocate resources in those parts of their own jurisdiction where the problems persist the most.

Having said all of that, Madam President, I do not disagree with what my colleagues have generally said this morning, that this is a far better bill than what the other body has passed, a far better bill than was initially proposed and offered here in the Senate.

But I would still say that we have a long way to go before this bill becomes the kind of proposal that not only saves money, but allows people to go from welfare to work and protects the 10 million children who could be adversely affected by these decisions.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. THOMAS). Morning business is closed.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. Under the previous order, the hour of 9:30 having arrived, the Senate will resume consideration of H.R. 1976, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (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, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Brown modified amendment No. 2688 (to committee amendment beginning on page 83, line 4, through page 84, line 2), to prohibit the use of funds for salaries and expenses of Department of Agriculture employees who carry out a price support or production adjustment program for peanuts.

(2) Bryan-Bumpers amendment No. 2691, to eliminate funding to carry out the Market Promotion Program.

AMENDMENT NO. 2691

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes for debate under the Bryan amendment No. 2691 equally divided. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume. It is my intent to speak a few minutes in opposition to the Bryan amendment, to put in context the decision we will make at 9:45.

This is an amendment that does not seek to modify or simply reduce the funding for the Market Promotion Program. It is designed to kill the program, eliminate all funding under this legislation for this program in the next fiscal year. I think that would be a big mistake, Mr. President, and here is why.

The Foreign Agriculture Service undertook a study of this program in response to requests from the Congress and determined that for every $1 that we invest in this Market Promotion Program promoting U.S. agriculture commodities and foodstuffs that are exported in the international marketplace, $16 is generated in additional agriculture imports.

At a time when we are trying to compete more aggressively in the international market because of the opening up of new markets under the GATT Uruguay Round Agreement, we are trying to do a better job and use all the resources that we can muster to help ensure that we maintain a competitive edge and that we work with our farmers and ranchers and food processors to try to enlarge our share of markets. This is going to have just the opposite effect.

So I am hopeful that the Senate will vote against this amendment. I urge all Senators to carefully consider this. This is a proven, tested, workable, and effective program, and we have the facts to prove it. We debated this issue for an hour last night and laid all the facts out on both sides. I hope the Senators this morning will reject this amendment soundly.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, if there is no one seeking to address the Senate in support of the amendment, I am going to suggest that the time during the quorum, which I am going to call, be charged to the proponents of the amendment. I ask unanimous consent that the time be so charged.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COCHRAN. 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.

Mrs. BOXER. 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. COCHRAN. Mr. President, I yield 2 minutes to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, thank you very much. I listened last night to a debate we have had here many times, and my friend and colleague from Nevada, RICHARD BRYAN, my distinguished friend who I respect, lists all the companies that get this, shall we say, assistance for export promotion and points out they all make a profit, they make large profits and says that this is a program that we should not have.

But every year, and it seems like twice a year, I take to the floor to point out to my friend and to the rest of our colleagues on both sides of the aisle that the future of this country, the economic future of this country really lies in exports. That is where we are going to have the job creation, that is where we are going to have an economic future that is worth something.

We know scientifically, because we have the studies, that every dollar that is invested in market promotion yields far, far many more dollars in return. It is a multiplier effect because the companies match the moneys and we wind up selling more of our products overseas.

The other point I want to make is that every other country in the world with whom we compete have similar programs, as a matter of fact, have much broader and wider and deeper programs where they push the exports of their country. If we are to walk away from this, we will fall behind.

So, Mr. President, I know that the companies that are listed by my friend are successful companies, and I know that they do put some of their capital into this, but I think it is very appropriate for this country to have an export promotion program, just as I think it appropriate for our trading partners.

I stand with the chairman, and I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

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

I point out to my colleagues that the MPP and its immediate predecessor, the Targeted Export Assistance Program, has cost the American taxpayers $1 billion—$1 billion. It is currently proposed for funding at $110 million. It is a program which has been soundly denounced by think tanks and organizations that are representing a broad spectrum of interest groups from the Cato Institute to the Competitive Enterprise Institute, the National Taxpayers Union, the Citizens Against Government Waste, the Center for Science in the Public Interest, the Progressive Policy Institute.

The General Accounting Office has reviewed this program and has concluded that there is no tangible, ascertainable basis upon which to conclude that, in fact, has assisted in the Market Promotion Program. There are no criteria in terms of large company, small company, who receives, no period of time in which one is supposed to graduate out of the program.

We are currently spending to assist our overall export promotion programs in this country about $3.5 billion annually. While agricultural products account for 10 percent of total U.S. exports, the Department of Agriculture spends $2.2 billion, or 63 percent of the total.

The way this program works, Mr. President, is that the advertising budgets of some of the largest corporations in the world receive a handout from the American taxpayer to supplement their budgets. Time restricts me from going into great detail, but here are some of the companies, all fine companies, that received in fiscal year 1993–1994 substantial amounts of money: Ernest & Julio Gallo, $7.9 million; Pillsbury, $1.75 million; Jim Beam Whiskey, $713,000, Campbell Soups, $1.1 million, to cite a few.

I think the American taxpayer, if he or she understood, would be shocked that, in effect, we are taking tax dollars collected from the American people and, in effect, adding them to the advertising budgets of some of the largest companies in the world.

Mr. President, the time to end this program has come. We have cut Medicare by $270 billion. We are cutting all kinds of programs involving educational assistance and a whole raft of programs. Yet, we seem to be unable to divorce ourselves from this form of corporate welfare.

I reserve the remainder of my time.

Mr. COCHRAN. How much time remains on each side?

The PRESIDING OFFICER. The Senator from Mississippi has 3 minutes 33 seconds. The Senator from Nevada has 2 minutes 50 seconds.

Mr. COCHRAN. Let me simply say that in response to the suggestion that large corporations are getting all this money, 80 percent of this money goes to trade associations, farmer cooperative groups, the association of exporters of poultry and eggs, cotton promotion groups, and others who are trying to take up for the interests of America's farmers, ranchers, and those in the food businesses that sell in the international market.

We are trying to save American jobs and promote American economic interests, American agriculture interests. These are companies that are involved in those businesses. But the majority of the money goes to small businesses, farmer cooperatives, and organizations like that, who sometimes use those companies to help promote what the ingredients are in their products that are sold in the international market.

So we hope Senators will keep that in mind. This is not corporate welfare—the catchy phrase some are using to discredit programs, this one included. It is not well-placed criticism. It is not accurate to judge the worth of this program on the basis of that kind of argument.

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

Mr. BAUCUS. Mr. President, I rise today to express my strong opposition to the amendment offered by my colleagues from Nevada and Arkansas—the amendment to eliminate the funding for the Market Promotion Program. I think this effort is a misguided attack on a program which is successful in its accomplishments. In fact I believe funding for this program should be increased, not eliminated.

Mr. President, American agriculture is an example of successful export growth. This year our exports will be in the neighborhood of $50 billion. And our trade surplus in agricultural goods is around $20 billion. And one big reason is the MPP.

This program promotes American agricultural commodities in foreign markets. This program allows foreign businesses to advertise American products in their operations. The MPP helps put American beef in Chinese Big Macs—rather than less expensive, locally produced foods.

And the benefits of such a program are well-recognized by our competitors in the global marketplace. The European Union, our largest and most tenacious agricultural export adversary, outspends us nearly 3 to 1 in programs of this type. They spend as much to export wine as we do for all our commodities through the MPP. I think that speaks volumes about these programs.

This year we have seen significant advances in our ability to enter foreign markets. We've moved apples and broccoli in Japan, and negotiated an agreement to ship more meat into Korea. These exports mean jobs and revenue in America. And I am confident this trend will continue. But it makes no sense to eliminate the tools which have facilitated this progress. The MPP is one such tool.

Mr. President, I strongly endorse the Market Promotion Program and I urge my colleagues to join me in opposing this amendment to end the funding for this valuable program.

Mrs. FEINSTEIN. Mr. President, I oppose the Bryan amendment to eliminate funding for the Market Promotion Program.

The Market Promotion Program helps promote U.S. agricultural commodities abroad and build foreign markets for American agricultural products. I support the Market Promotion Program. And here is why:

First, the Market Promotion Program has been a very successful program. It has significantly benefited agriculture and expanded markets. There have been scores of success stories. For California agriculture, MPP moneys have boosted exports of almonds, asparagus, prunes, citrus, avocados, kiwi-

fruit, canned peaches, canned pears, canned fruit cocktail, pistachios, strawberries, table grapes, tomatoes, walnuts, wine, raisins, cotton and cotton products, and more.

The California avocado industry, for example, used MPP moneys to increase Japanese consumers' awareness of the higher quality of California avocados as opposed to lower priced, lower quality foreign sources. In 3 years, using MPP funds California avocado growers were able to increase exports to Japan by 200 percent.

Similarly, the U.S. cotton industry effectively used to promote the higher quality of products made with U.S. cotton. In the 5 years preceding the Market Promotion Program, exports of American cotton averaged only 5.3 million bales of raw cotton. This year, U.S. cotton exports will exceed 10 million bales. U.S. cotton exports have averaged $437 million more per year since the Market Promotion Program began.

Second, the Market Promotion Program is a cost-shared program. Recipients of MPP funds must contribute funds of their own as well. But the Federal funds serve as seed money that attract the private funding and bring diverse segments of an industry together on export promotion that would not otherwise be possible.

Third, the Market Promotion Program helps American agriculture compete in a global market. It is a GATT legal program. Agricultural exports now account for nearly one-third of total U.S. agricultural production and over $40 million in sales. But our competitors in world markets are aggressively supporting export and promotion of their agricultural products. We need to ensure that our growers are given the same support that their foreign competitors receive.

Mr. President, the Market Promotion Program works. We should not eliminate it.

Mr. GORTON. Mr. President, my message today is simple: If you are pro trade, pro growth, and pro jobs—you are pro MPP.

The Market Promotion Program is a proven success. For example, in my home State of Washington we have seen a dramatic increase in apple exports from 4.3 million cartons to 25.1 million, an increase of over 500 percent. Export sales now total over $300 million. This success is due to the Market Promotion Program.

My State alone exports over 1.1 billion dollars' worth of agriculture products. Such exports generate nearly $3 billion in economic activity and provide over 33,000 export-related jobs in my State of Washington. Programs like MPP are absolutely essential if U.S. agriculture—the most competitive industry in the world—is to remain viable and competitive in the international marketplace. MPP gives U.S. agriculture the tool it needs to develop, maintain, and expand commercial export markets for U.S. agriculture commodities in the new post-GATT environment.

In summary, Mr. President, without MPP we give our competitors an advantage and the opportunity to capture and maintain a significant share of the world market. U.S. agriculture is the most competitive industry in the world. We should provide the tools necessary so that U.S. agriculture can develop, maintain, and expand its share of the world market.

Mrs. BOXER. Will the Senator yield me 30 seconds?

Mr. COCHRAN. If I have 30 seconds, I will yield that to the Senator from California.

Mrs. BOXER. Mr. President, I strongly support the Market Promotion Program. I urge my colleagues to oppose the amendment offered by my colleague Senator BUMPERS to eliminate funding the Market Promotion Program. I would like to point out to the Senate why this program is so important for agriculture in my State of California, and many other States as well.

The MPP is an important tool in expanding markets for U.S. agricultural products. Continued funding for this program is an important step in redirecting farm spending away from price supports and toward expanding markets.

A 1995 Foreign Agricultural Service study, Evaluating the Effectiveness of the Market Promotion Program on High-Value Agricultural Exports, concluded that for every dollar invested in the MPP and its predecessor, the Targeted Export Assistance Program, since 1986, the United States has exported $16 dollars worth of agricultural products.

The U.S. Department of Agriculture estimates that each dollar of MPP money results in an increase in agricultural product exports of between $2 and $7. The program has provided much needed assistance to commodity groups comprised of small farmers who would be unable to break into these markets on their own.

While the program has been the subject of criticism, some of it justified, I believe it would be a mistake to cut the program because of a few cases of poor judgment. Overall, the program has greatly benefited the small growers for whom it was intended. New regulations went into effect in February 1995 to, among other things, give priority assistance to small businesses. In 1995 small businesses will receive over 50 percent of the funding provided for brand-name products up from 41 percent in 1994.

Last year, a task force of the U.S. Agriculture Export Development Council met for 2 days in Leesburg, VA, to review the role of the MPP, and other agriculture programs as part of our overall trade policy. This task force affirmed that the purpose of the MPP is to ''increase U.S. agricultural project exports.'' It concluded that the increase in such exports helps to ''create and protect U.S. jobs, combat unfair trade practices, improve the U.S. trade balance, and improve farm income.''

According to the U.S. Department of Agriculture, U.S. agricultural exports reached $43.5 billion supporting almost 800,000 jobs. For fiscal year 1995, agricultural exports are expected to reach a record $51.5 billion. Individual export records have been set in 1994 for red meats, poultry, fresh fruit, fresh vegetables, tree nuts, wine and beer and other high value products. This has been achieved with the help of MPP and other USDA export programs.

Mr. President, the Market Promotion Program has been an unqualified success for California farmers. For many Californian crops, the MPP has provided the crucial boost to help them overcome unfair foreign subsidies. I would like to share two of the successes of this program in California.

California produces about 85 percent of the U.S. avocado crop on over 6,000 farms that average less than 8 acres per farm. Between 1985 and 1993, California avocado growers utilized $2.5 million of their own money, combined with $3.4 million of MPP funds to achieve over $58 million in avocado sales in Europe and the Pacific rim. This is better than a 17 to 1 return on our MPP investment that means jobs for California.

The growth of California walnuts exports also illustrates the success of this program. Since 1985, the year before the MPP began helping walnuts, 90 percent of the growth in California walnut sales has come from exports. And 90 percent of this export growth has been to markets where California walnuts have had MPP support. The total value of these exports in 1985 totaled $36 million. By last year, that total export value grew to $119 million.

This growth in MPP driven walnut exports has been the greatest in the heavily protected Japanese market. There, California walnut exports grew from about $3 million in 1985 to $28 million last year. The $19 million devoted by the MPP between 1986 and 1994 to promoting California walnuts in Japan has helped generate nearly $140 million in sales. This is a rate of return on the taxpayer's investment that approaches 700 percent.

The California walnut industry is not a monolithic corporation. It is made up of over 5,300 growers who farm orchards that average only 44 acres. And its these California family farmers, not big corporations, who benefit from the MPP support of walnut exports. Without the MPP, these farmers could not muster the resources they need to break into the Japanese and other protected markets.

Lastly, I would like to make a few comments on a possible initiative by my colleagues to means-test the Market Promotion Program. In California, nonprofit agricultural marketing cooperatives such as Sunkist, Blue Diamond, and Calvaro are owned by their

farmer members and distribute all income to the individual farmers less operating expenses. Cooperatives such as these are associations of farmers who accomplish collectively what that cannot accomplish individually. The average farmer in these three cooperatives farms between 20 and 40 acres and the overwhelming majority of them are full-time farmers. I believe it would be unfair to penalize individual small farmers because they have joined together to form an effective cooperative. It defeats the purpose of a market development program. It is clear that these farmers could not individually be effective exporters to the world market.

In closing Mr. President, the MPP is a wise investment in American agriculture and I urge my colleagues to support it in its current form, at the highest possible level.

I ask unanimous consent that a list of export-related jobs in each State be printed in the RECORD.

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

MARKET PROMOTION PROGRAM

Agriculture export related jobs by State

State:	*Jobs*
Alabama	11,000
Alaska	20,000
Arizona	10,000
Arkansas	33,000
California	137,000
Colorado	25,000
Connecticut	1,500
Delaware	2,000
Florida	22,000
Georgia	15,000
Hawaii	1,700
Idaho	22,000
Illinois	68,000
Indiana	36,000
Iowa	96,000
Kansas	69,000
Kentucky	25,000
Louisiana	17,000
Maine	400
Maryland	5,500
Massachusetts	1,100
Michigan	27,500
Minnesota	50,000
Mississippi	24,000
Missouri	24,000
Montana	6,000
Nebraska	74,000
New Jersey	2,000
New Mexico	3,000
New York	8,300
North Carolina	27,500
North Dakota	23,000
Ohio	33,000
Oklahoma	10,000
Oregon	15,000
Pennsylvania	11,000
South Carolina	7,000
South Dakota	25,000
Tennessee	9,000
Texas	77,000
Utah	2,800
Virginia	10,000
Washington	30,000
Wisconsin	27,500
Wyoming	1,400

Mrs. BOXER. Mr. President, I just received, from the farmer cooperatives a table that I have placed in the RECORD, which shows the number of jobs that are related to the export of agricultural products. They are shown by State. It is really an extraordinary list: Kansas, 69,000; Kentucky, 25,000; Texas, 77,000; California, 137,000. Virtually every State in the Union, thousands of jobs. I stand in strong support of this program.

I yield the floor.

Mr. BRYAN. Mr. President, might I inquire about the time?

The PRESIDING OFFICER. The Senator from Nevada has 2 minutes 50 seconds. The Senator from Mississippi has 1½ minutes.

Mr. BRYAN. I yield myself a minute and a half.

Mr. President, I simply make a point that this presumably is a time in America in which we are calling for shared sacrifice. We are saying that we cannot do business the way we have always done it. With all due respect to my distinguished colleague and friend from California, in terms of weighing the priorities, it seems to me it is pretty hard to contend when we are savaging the kinds of programs that affect the poor and those who are least able to defend themselves to support these kinds of dollars.

McDonald's, the hamburger folks, I think, reported a net profit of in excess of $1 billion. They continue to receive money to supplement their advertising account. Their advertising budget is in the range of $600 to $700 million. I would think that these outfits would be embarrassed, at a time when they are encouraging us to balance the budget, as we should, to simply say, look, it is time for us to kind of participate in this shared sacrifice and say, look, we will handle our own promotion and not depend upon the American taxpayer for a handout.

I reserve the remainder of my time.

Mr. COCHRAN. Mr. President, I yield myself as much time as I may consume. Let me remind the Senate that we voted on this same issue when we had the supplemental reconciliation bill before the Senate on April 6 of this year. I moved to table this same amendment that was offered by the Senators from Nevada and Arkansas. And on a vote of 61 yeas to 37 nays, this amendment was tabled. We fully debated the issue then. We have fully debated the issue now. Nothing has changed, Mr. President.

So I hope Senators will notice that I am going to put on the desk here how everybody voted on that previous occasion. I hope we will repeat the success of that favorable motion on the motion to table this same amendment. It is my intention to move to table when time has expired and we ask for the yeas and nays.

The PRESIDING OFFICER. Who yields time?

Mr. BRYAN. May I inquire as to how much time I have left?

The PRESIDING OFFICER. The Senator has 1 minute 44 seconds. The Senator from Mississippi has 30 seconds.

Mr. BRYAN. I will yield time to the Senator from Arkansas.

First, the point I seek to make, as I have over the past several years with my friend from Arkansas, is that this is really a question of a subsidy that in light of what I consider the new economic reality, where we are literally going to have to reexamine the way in which we do things in Government, and those programs that have long existed that are near and dear to many of my colleagues. Some of these programs simply cannot pass what I would call the ''smell test.'' This is one of them.

I offer no criticism of these large agribusinesses, who have been extraordinarily successful. I compliment them. But I think the fundamental question is: Should the American taxpayer be paying for their advertising and promotion?

I reserve the remainder of my time.

I yield the Senator from Arkansas my remaining time.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be allowed to proceed for 2 minutes.

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

Mr. BUMPERS. Mr. President, I just came from downstairs where the House just receded to the Senate position on mine law reform. The effect of that is to take 233 patent applications that have been excluded from being grandfathered in last year and say you can have that, too. The biggest mining companies in America. Those 233 patent applications, which we just voted to allow to go forward contain $15.5 billion worth of gold, platinum, palladium, silver, and so on, underneath them. They will be given out to the biggest mining companies in the United States for zip—not $1 to the taxpayers of this country.

Here we are debating continuing a practice of giving $110 million to the biggest corporations in America, not just the 10 listed on that chart—dozens more. Some of them are almost as big. To the biggest corporations in the world, we are giving $110 million to help them sell McNuggets and Big Macs around the world. I found out last night that we have already spent $86 million on this program for alcoholic beverages. Who thinks that is a great idea?

We are doing that, while we are cutting welfare, kicking 50 percent of the people off of the rolls by the year 2000, cutting earned-income tax credit to keep people off the rolls, $270 billion in Medicare cuts for our elderly citizens, $240 billion in Medicaid cuts for the poorest of the poor for health care in this country, and on and on it goes. And this day, in one fell swoop, we have just voted to give $15 billion worth of minerals away and $110 million in the grossest kind of corporate welfare. Is that what the revolution of 1994 was about?

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

Mr. COCHRAN. Mr. President, I yield myself the remainder of the time on this side.

Mr. President, this is a red herring. The fact is that the funds allocated under this program are to promote U.S. agriculture products. We are seeing the U.S. Poultry and Egg Export Council promoting the purchase of U.S. poultry products and eggs by foreign-owned and operated franchises of McDonald's. That does not mean that goes to corporate headquarters in Chicago, or wherever. This means that we are producing a promotional campaign using these funds to try to help sell more of what we produce in America.

It is a good program. It has worked and I hope the Senate will vote ''yes'' on this motion to table.

Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SANTORUM). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 59, nays 41, as follows:

[Rollcall Vote No. 440 Leg.]

YEAS—59

Akaka	Frist	Lott
Ashcroft	Gorton	McConnell
Baucus	Graham	Moseley-Braun
Bennett	Gramm	Murkowski
Biden	Grassley	Murray
Bond	Harkin	Nunn
Boxer	Hatch	Packwood
Breaux	Hatfield	Pell
Burns	Heflin	Pressler
Campbell	Helms	Pryor
Cochran	Hutchison	Rockefeller
Cohen	Inouye	Shelby
Conrad	Jeffords	Simon
Craig	Johnston	Simpson
Daschle	Kassebaum	Snowe
Domenici	Kempthorne	Specter
Dorgan	Kerrey	Stevens
Exon	Kohl	Thomas
Feinstein	Leahy	Thurmond
Ford	Levin	

NAYS—41

Abraham	Faircloth	McCain
Bingaman	Feingold	Mikulski
Bradley	Glenn	Moynihan
Brown	Grams	Nickles
Bryan	Gregg	Reid
Bumpers	Hollings	Robb
Byrd	Inhofe	Roth
Chafee	Kennedy	Santorum
Coats	Kerry	Sarbanes
Coverdell	Kyl	Smith
D'Amato	Lautenberg	Thompson
DeWine	Lieberman	Warner
Dodd	Lugar	Wellstone
Dole	Mack	

So the motion to lay on the table the amendment (No. 2691) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was tabled.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, we have about 10 minutes before we are to proceed with debate on the amendment dealing with poultry regulation. One hour on each side is available under that agreement for debate of that issue. We had hoped to take up another amendment and discuss it between now and then. I know Senator KERREY had considered bringing up his amendment, which is a Market Promotion Program amendment. I know of no other business that Senators have requested be transacted during this 10-minute period, so I will suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOND. 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. BOND. Mr. President, I further ask I may be permitted to proceed as if in morning business for 5 minutes.

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

Mr. BOND. I thank the Chair.

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

Mr. BOND. I thank the Chair, and I yield the floor.

EXCEPTED COMMITTEE AMENDMENT ON PAGE 83, LINE 4 THROUGH LINE 2 ON PAGE 84

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the excepted committee amendment regarding poultry regulations, on which there will be 2 hours of debate. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, as I understand the allocation of time, there is 1 hour on each side. If I am not mistaken, I think under the order, I am to control the time in opposition to the amendment of the Senator from California.

The PRESIDING OFFICER. The Senator is correct.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. COCHRAN. Mr. President, what is at issue here in this amendment that will be offered by the Senator from California is a provision of the Senate bill as approved by the Appropriations Committee, which I will read. It is section 729 and found on page 83 of the bill:

> None of the funds appropriated or otherwise made available by this Act may be used to develop compliance guidelines, implement or enforce a regulation promulgated by the Food Safety and Inspection Service on August 25, 1995 (60 Fed. Reg. 44396): Provided, That this regulation shall take effect only if legislation is enacted into law which directs the Secretary of Agriculture to promulgate such regulation, or the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry receive and approve a proposed revised regulation submitted by the Secretary of Agriculture.

This regulation, which has been promulgated after a great deal of discussion, public comment on the proposed regulation has the effect of prohibiting and actually preventing poultry producers and processors in the Southeast and Southwest from exporting their products into the California market. That is the practical consequence of the regulation as drawn and promulgated by this administration.

The origin of the initiative came from California to restate the regulations and rules regarding the labeling of poultry products with respect to whether they were frozen, chilled or not and what should be disclosed in that connection and how you measure the temperature with respect to which regulation or label would be appropriate.

This was all driven by the poultry industry in California which is a high-cost producer and processor of poultry products. High cost: High labor costs, regulations that are imposed locally and in the State of California, that elevate the price at which poultry products can be sold in California.

Different regulations with regard to the way these imported products are sent from the Southeast and the Southwest into that market, are packaged and labeled, could be drawn so as to increase the costs of and maybe even make it impossible to ship deeply chilled poultry products into that market.

So this issue was developed as a way for the California poultry industry to keep competition out of their market, to keep lower cost poultry processing firms in the Southeast, like in my State of Mississippi, from competing and undercutting the price being sold by California poultry producers in their own market.

To let the Senate know that this is not an issue that has been just hastily or capriciously injected into this appropriations bill, back in April, we were trying to convince the administration of the seriousness of this situation that would be caused throughout many parts of this country if this regulation were to be approved.

I am looking at a letter, which I will have printed in the RECORD, dated April 4, 1995. It is written on the letterhead of Senator JOHN WARNER of Virginia, but it is signed by 19 Senators: Senators DAVID PRYOR, JOHN WARNER, MITCH MCCONNELL, JESSE HELMS, HOWELL HEFLIN, PAUL COVERDELL, THAD COCHRAN, TRENT LOTT, STROM THURMOND, RICHARD SHELBY, BENNETT JOHNSTON, JOHN BREAUX, JIM INHOFE, SAM NUNN, CHRISTOPHER BOND, LAUCH FAIRCLOTH, ROD GRAMS, KAY BAILEY HUTCHISON, and DON NICKLES.

What we said in this letter addressed to the acting Under Secretary of Agriculture for Food Safety, is that we believe it is appropriate for the Food Safety and Inspection Service to consider changes in the existing Federal standards, but we have major reservations about the standards that the Food Safety and Inspection Service are proposing. We talk about the consequences of the proposed regulations

at that time, illogical from the point of view of measuring the temperature of chilled poultry and then having it labeled ''previously frozen'' or ''frozen'' and the consequences of that in terms of the businesses that deeply chill the poultry to protect it from contamination as it is transported across the country to other markets in the United States.

I ask unanimous consent, Mr. President, that a copy of this letter be printed in the RECORD.

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

U.S. SENATE,
April 4, 1995.

Hon. MICHAEL TAYLOR,
Under Secretary for Food Safety (Acting), U.S. Department of Agriculture, Washington, DC.

DEAR MR. TAYLOR: We believe it is appropriate for the Food Safety and Inspection Service (FSIS) to consider changes in the existing federal standards for labeling ''fresh'' and ''frozen'' poultry. However, we have major reservations about the standards FSIS are proposing.

FSIS on January 18, 1995 proposed regulations that would allow a ''fresh'' label to appear only on those poultry products that have not been chilled below 26 degrees Fahrenheit. Poultry that had been chilled to 0 degrees or below would be labeled ''frozen.'' Poultry chilled to a temperature of between 0 degrees and 26 degrees would be labeled ''previously frozen.''

The following are our most serious concerns about this proposal:

FSIS arbitrarily chose 26 degrees as the dividing line between ''fresh'' and other designations. There are other temperatures below 26 degrees that preserve the ''fresh'' characteristics consumers are seeking while giving poultry products the longer safe shelf life necessary for transportation across long distances.

The proposed regulation requires ''fresh'' poultry products to remain at no less than 26 degrees throughout processing, storage and transportation. The original processor does not control some of these operations and could lose a ''fresh'' designation through no fault of their own. The strict adherence to 26 degrees also does not take into account important differences in equipment calibration.

The designation of ''previously frozen'' poultry is completely illogical. Poultry chilled to between 0 degrees and 26 degrees never has met the proposed regulations definition of ''frozen.'' How, then, can it accurately be labeled ''previously frozen''?

As Members of Congress deeply concerned about food safety, accurate labeling for consumers and fairness for all segments of the poultry industry, we urge you in the strongest possible terms to make several changes to the proposed rule.

First, we urge FSIS to select a temperature lower than 26 degrees but higher than the current 0 degrees as the minimum temperature at which poultry can receive a ''fresh'' designation.

Second, we urge FSIS to consider a temperature variance from that minimum to accommodate temperature shifts during shipping and storage and to accommodate the important differences in the calibration of temperature measuring devices and refrigeration equipment. We would point out that USDA's Agricultural Research Service, working in laboratory settings, is able to control holding-chamber temperatures only to within three degrees of the target temperature.

Finally, we urge you not to require a label designation for poultry chilled to between 0 degrees and the minimum temperature as necessary for ''fresh'' labeling.

These common sense changes will result in a regulation that assures full labelling disclosure for consumers and the safest possible shipment of fresh poultry products across the nation.

Thank you for your attention to these recommendations; please do not hesitate to contact us if you have additional questions.

Sincerely,

David Pryor; Mitch McConnell; Howell Heflin; Thad Cochran; Strom Thurmond; J. Bennett Johnston; James Inhofe; Christopher S. Bond; Rod Grams; Don Nickles; John Warner; Jesse Helms; Paul Coverdell; Trent Lott; Richard C. Shelby; John B. Breaux; Sam Nunn; Lauch Faircloth; Kay Bailey Hutchison.

Mr. COCHRAN. Mr. President, before yielding time for others to discuss their views on this, let me just say the temperature threshold and the negative labeling that the California poultry industry has been promoting has only one objective, and that is keeping competitive products out of the California market, to make those products appear less appealing to California consumers. I do not believe the Federal Government should take actions which, like it would in this instance, influence improperly interstate trade and commerce in this matter.

This issue has absolutely nothing to do with improving product quality, nothing to do with enhancing food safety. The regulations will not improve consumer information or enhance consumer protection. This is an intraindustry trade dispute between California and the rest of the country where poultry products are produced and sold in that market, and I hope that the Senate will reject the amendment to be offered by the Senator from California.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I yield myself as much time as I might consume.

The PRESIDING OFFICER. The Senator is recognized.

Mrs. BOXER. Mr. President, I was wondering how this debate would shape up because, to me, it is very straightforward. It is not about California; it is about common sense. The Agriculture Department, after 8 long years, finally issues a rule that says if your chicken or your turkey is frozen, then you cannot put a ''fresh'' label on it.

Let me repeat that. If the chicken or turkey is frozen when you send it out of your State, you cannot mislead consumers and put a ''fresh'' label on it. Hurray, a victory for common sense, a victory for the right to know what we are purchasing.

I have shopped for my family for many years, and these things are important. So what happens in the Appropriations Committee? A sneak attack on a fair rule. They are not going to allow this rule to go into effect. I say to consumers all over the country, listen to this debate because you are going to hear words that have no meaning. You are going to hear words such as exporting and fairness and barriers. But those are not the issues. This is about truth in labeling.

Now, to prove my point that this is not just a California issue, I might say on the Record to my friend, my chicken producers are for this rule, and my turkey producers are against this rule. I have business on either side. I line up with consumers. I hope you will, too, after listening to some of the points that I will make.

Perdue Chicken, which is produced in New York, and has headquarters in the State of Maryland and offices in Alabama, Delaware, Florida, Indiana, New Jersey, North Carolina, South Carolina, and Virginia, says, ''We are opposed to companies selling products as fresh when they have been previously frozen or thawed.''

Perdue is not a California company. This is simple corporate responsibility. What are we going to do in the U.S. Senate? I am glad it is not in the dead of night. At least it is in the day time and everybody can watch us. We are going to say that fresh is frozen and frozen is fresh. This makes no sense at all, for anybody who has ever gone into a supermarket. I think most Americans have, and they understand this.

Mr. President, I ask unanimous consent that I may show you this chicken.

Mr. COCHRAN. Mr. President, I object. I make a point of order that the display of any such product would violate rule 17 of the Senate rules.

The PRESIDING OFFICER. The Senator from Mississippi is correct.

Objection is heard.

Mrs. BOXER. I have put away my frozen chicken. I will not bring it out in violation of the rules. I respect my friend's right to object to my request. But what I was going to do was take that little chicken, which is frozen as hard as a rock and marked fresh, and put it on this table, and it would have sounded like this. And everyone could see the lunacy of this debate.

Mr. BUMPERS. Will the Senator yield?

Mrs. BOXER. Yes, I would be happy to.

Mr. BUMPERS. I could not agree with the Senator more. If you take a chicken frozen solid like that, one at zero degrees, and use it for a bowling ball, as a House Member did, or as a prop here, as you were proposing to do, I agree that is the sound it would make. But that is not what this debate is about.

Mrs. BOXER. Mr. President, if I may reclaim my time, because I have limited time, that is exactly what this debate is about. When my friend speaks, he can say what he thinks it is about. It is about taking a product that is frozen to one degree—what human being can say that one degree is not frozen—

and enabling producers to mark it ''fresh.'' Why? Because they want to get more money for a frozen product. That is what this is all about. They want to get more money by marking it ''fresh.''

So I would have shown you this chicken, hard as a rock, marked ''fresh.''

My friends objected, and I respect their right to object. So I will show you a picture instead. I know they cannot object to that. As you can see, there is a frozen chicken being used as a bowling ball headed for these pins and, as a result, I think some of them were knocked down. Now, do we believe for a minute that a chicken that is frozen like this should be marked ''fresh'' if it can knock down bowling pins?

Now, if I told you this desk was a chair, you would think I was kidding. And if I told you summer was winter, and ice was hot, warm was freezing, ovens were freezers, and freezers were toasters, you would send me to the nearest psychiatrist. And you would be right.

I do not know what came over the committee, but let me read you the definition of fresh. This is out of Webster's Dictionary: ''Fresh: Recently made, produced, or harvested, not preserved as by canning, smoking, or freezing.''

Yet, my friends on the committee say that if a chicken or a turkey is frozen to one degree, it can be marked fresh. Let me remind you what Webster said: ''. . . not preserved as by freezing.''

''Frozen: Made into, or covered with, or surrounded by ice; preserved by freezing.''

That is frozen. ''Immobile.'' I will add one: It knocks down bowling pins. Chickens that are that hard are not fresh, they are frozen. And everyone with a pulse, I think, understands that.

We have tried to straighten this mess out for 8 long years, and special interests come in every time and kill it. This time, the Clinton administration had the guts to issue this rule, and the Appropriations Committee—by the way, whose chairman said—and he is my friend, and I work with him and I admire him, and we just worked together on an issue—that we really should not do these things on appropriations bills, in relation to an article that appeared today. He said he does not believe in making policy on spending bills in relation to the mink program.

Mr. COCHRAN. Will the Senator yield?

Mrs. BOXER. Yes, on his own time.

Mr. COCHRAN. Mr. President, I am not quoted in that article. My office said something to the effect that I did not think policy should be established on appropriations bills. I am not sure my staff said that. My staff told me they told this reporter that I did not favor legislation on an appropriations bill. That was one reason why I was opposing that amendment. I am not advocating legislation on this bill. I am saying no funds shall be used to carry out this regulation.

Mrs. BOXER. I say to my friend and colleague, he is a very smart Member of this Senate. He is terrific. He gets his way a lot around here. A lot of the time he is right, and he should get his way. But if this is not legislating on an appropriations bill, I do not know what is. This is a rule that is going to go into effect so that when consumers go to the supermarket, they will know whether the chicken they buy is fresh or frozen. We are stopping it dead here in the Appropriations Committee, simply saying no funds shall be spent to enforce it. Well, if it cannot be enforced, then there is no rule. So we know what we are talking about here.

This rule is a victory for common sense. That is why the Consumer Federation supports the rule. That is why Citizen Action supports the rule, and Public Voice supports the rule, and Public Citizen supports the rule. Look at all the people who are for the rule. My friends say it is a California issue. Why do we have the National Association of Meat Producers and Meat Purveyors and all kinds of national unions, and the Oregon Broiler Growers Association and Pacific Egg and Poultry Association? As I told you, there are all these consumer groups and veterinary groups, et cetera.

Studies show consumers are willing to pay more for products that are fresh. These are their hard-earned dollars. They should be getting what they are paying for: a fresh product. And, by the way, there is nothing wrong with buying frozen produce, nothing at all. Some people prefer to do that.

Let me give you another serious problem with this. You go to the supermarket and buy a frozen product, it is defrosted, marked ''fresh,'' so you think it is fresh. You go home and put it in your freezer. Then you defrost it again before you cook it. That could be dangerous to your health.

I have to say that this rule is very gentle on the people that my friends represent in Arkansas and in the Southern States. Why do I say that? Because it does not say they have to label it ''frozen'' until it gets down to zero. They can use the term, quote, ''hard chilled.'' So the Department of Agriculture bent over backward. In my mind, if it is 10 degrees, it is frozen. They are allowed to say ''hard chilled.'' That is a commonsense rule that looks out for those producers that my friends represent.

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

The PRESIDING OFFICER. There are 49 minutes, 23 seconds remaining.

Mrs. BOXER. How much time remains on the other side?

The PRESIDING OFFICER. There are 51 minutes and 42 seconds.

Mrs. BOXER. I see my friend, the senior Senator from California has joined me. I will yield the Senator 15 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 15 minutes.

Mrs. FEINSTEIN. I thank the Senator from California and I thank the President.

Mr. President, I rise in opposition to the committee amendment. I urge my colleagues to strike the committee language to ensure truthful labeling of poultry and poultry products.

Let me say first that the committee language in the fiscal year 1996 agriculture appropriations bill flies in the face of the consumer. It prevents the Department of Agriculture from implementing a new and commonsense regulation on what poultry products can be labeled as ''fresh.''

I might parenthetically say I never thought when I came to the U.S. Senate we would be debating this on the floor.

Be that as it is, I must say, Mr. President, I find it astonishing that any business engaged in the processing of food products can call something ''fresh'' when it has been frozen as hard as a rock. The whole thrust of Federal food labeling over the past several decades has been to provide consumers with accurate information about the quality and contents of the food they buy.

Existing departmental guidelines regarding poultry are really wrong. They allow consumers to be deceived into thinking they are choosing between two equally attractive pieces of poultry, when in fact one has been frozen to zero degrees and then thawed, while the other has never been frozen at all.

The consumer has a right to know if a chicken has been previously frozen. If it has, then it is not fresh.

The new Department of Agriculture Food and Safety Inspection Service rule, which is scheduled to take effect next year, ensures that the labeling corresponds with reality.

The new rule sets three labeling categories: First, poultry products which have never been chilled below poultry's freezing level of 26 degrees may be labeled as fresh. Second, hard chilled: Poultry products which have been chilled below 26 degrees but above zero degrees must be labeled as hard chilled. Third, frozen: Poultry products which have been chilled at zero degrees or below must be labeled as frozen or previously frozen.

It makes sense. However, until this new rule goes into effect, the poultry industry can use the term ''fresh'' on poultry that has been chilled down to zero degrees. In practice, this means that chicken and turkeys are being labeled and sold as fresh when, in fact, they have been frozen rock solid.

For example, in California, Foster Farms and Zacky Foods, among others, sell fresh chicken, while previously frozen chicken shipped in from Southern producers can also bear the ''fresh'' label.

In the Washington, DC, market, Perdue Farms sells fresh chicken, but

labeling does not tell consumers that Tyson and Wampler chickens have been frozen.

Similarly, while Farmers Pride in Pennsylvania, Plainsville Farms in New York, and Sunset Acres Farm in Maine sell fresh poultry, their competitors who sell previously frozen poultry can also use the ''fresh'' label.

This situation makes a mockery of the label and misinforms consumers about the actual freshness of the product.

This most certainly is not reasonable, and it does not meet the expectations of today's consumers.

According to a telephone survey conducted by ICR Survey Research Group in June 1994, the vast majority—75 percent—of the public does not think chicken which has been shipped or stored below 26 degrees should be called ''fresh.''

The vast majority of the public questioned, 86 percent, said it was inappropriate to label as ''fresh'' chicken which has been stored below 26 degrees and then thawed out.

Four out of five consumers, 81 percent, said yes there is a difference between chicken which has never been frozen and chicken which has been frozen and thawed out.

By a margin of five to one, those questioned rated ''never frozen'' chicken as superior to chicken which had been ''previously frozen.''

That is the rub. Clearly, the consumer, if possible, would prefer to buy fresh chicken.

According to the Department of Agriculture, once food is thawed, when it is refrozen there may be a loss of quality due to high loss of moisture. Consumers certainly think so.

Consumers have a preference for fresh poultry and—this is the rub, as well—they are willing to pay a higher price for it. They should be getting, we think, what they are paying for.

As in many issues of national importance, California has taken the lead on truthful labeling of poultry products. In 1993, California enacted a law restricting the use of the term ''fresh'' on labels of poultry that have been chilled at or below 25 degrees and to allow the use of the term ''fresh'' only on poultry that has been kept above 25 degrees. However, the court subsequently ruled that California law was preempted by Federal law, which prohibits States from imposing labeling requirements that are different from, or in addition to, the Federal requirements.

California is preempted, even though California says what is fresh is fresh, and what is frozen is frozen, and never the twain will meet, and we will show you with our law. Bingo—they are preempted by the Federal Government.

In response to the consumers' continued demand for truthful labeling, the U.S. Department of Agriculture accepted its responsibility, and after a 15-month rulemaking process, the Department is prepared to implement truthful labeling.

The Department of Agriculture's new poultry labeling rule, we believe, is reasonable and fair to both consumers and the poultry industry. Not only does it ensure truthful labeling of fresh poultry and protect the consumers' right to know, it provides a new category of ''hard chilled'' and gives the industry 1 year to comply, allowing ample time to use up inventories of existing labels and make the necessary changes.

Accurate and truthful labeling is strongly supported by national consumer groups—the National Consumer League, the Public Voice for Food and Health Policy, and the Consumer Federation of America.

The committee language, on the other hand, will prohibit the Department from proceeding with its own order.

Unless the Department of Agriculture is permitted to implement its new poultry labeling rule, frozen poultry products will continue to be falsely labeled.

We do not allow fish which has been frozen to be labeled as fresh. We should not allow poultry to be mislabeled, either.

Let us, Mr. President, make the Federal Government be honest about what is fresh and what is frozen. Otherwise, we face the prospect of allowing the American public to be conned into going to Antarctica to lie on the beach.

I yield the remainder of my time to the Senator from California.

The PRESIDING OFFICER. Who yields time? The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me simply say in response to the distinguished Senator from California who has just spoken, on this issue of frozen and fresh, I happened to receive a letter from someone in California telling me her views on this issue, back when we were all corresponding with the Food Safety Inspection Service about this proposed regulation. I am going to read this letter and ask unanimous consent a copy of it be printed in the RECORD.

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

(See exhibit 1.)

Mr. COCHRAN. It is from Dr. Ann R. Stasch, who lives, according to the return address, in Northridge, CA. She writes it to me, Senator THAD COCHRAN, ''Chair,'' she says, ''of the Senate Appropriations Committee, Senate Office Building, Washington, DC.''

DEAR SENATOR COCHRAN: I am interested in the frozen/fresh chicken controversy.

This is a handwritten letter. This is a handwritten letter.

I have recently retired as a University Professor of Food and Nutrition. As a consumer, I find little difference in the frozen and unfrozen chicken with regard to the state of thawing. The only chickens which are completely thawed, regardless of state of origin, are, for the most part, those on periodic price reduction sales. It has been my experience that wholly thawed at purchase chickens are often those which have been in storage the longest. These frequently have less flavor.

I prefer partially frozen (that is, not totally thawed) chicken when I purchase chicken, as chicken fat develops rancidity rather quickly. There are local differences in color of fat preferences by consumers and California chickens have a generally more yellow colored fat than southern chickens. If a chicken is going to sit 3 or 4 days between harvest and sale, it would probably be preferable that it be frozen, no matter the point of origin. It would be unfortunate if partially frozen chicken could not be sold at a regular price.

Sincerely,

ANN R. STASCH.

Mrs. BOXER. Will the Senator yield some time on my time to respond?

Mr. COCHRAN. I will be happy to yield for a question. I have other Senators I want to yield to for purposes of——

Mrs. BOXER. I was asking if the Senator will yield for a moment?

Mr. COCHRAN. I have the right to the floor now, but I do intend to yield to a Senator, as the Senator from California has yielded to a Senator on her side. It was my intention to yield to a Senator on our side, but I will be glad to yield to my colleague for a question.

Mrs. BOXER. I will put it in the form of a question. Is the Senator aware there are 32 million people in the State of California?

Mr. COCHRAN. I know it is a big State.

Mrs. BOXER. It is a big State, and this is one person's opinion. Is the Senator aware that clearly we are going to enable this woman to buy frozen products? We just want to make sure they will be marked ''frozen'' or ''previously chilled'' or ''hard chilled.'' This would not stop this woman from buying frozen. It would just make her choice even clearer.

Mr. COCHRAN. I thought the Senate would benefit, Mr. President—I will reclaim my time—from a point of view which apparently is a thoughtful point of view by someone who is a recently retired university professor in the subject of food and nutrition.

Mr. President, I want to yield to my distinguished colleague from Mississippi such time as he may require.

EXHIBIT 1

NORTHRIDGE, CA,
April 21, 1995.

Senator THAD COCHRAN,
Chairman, Appropriations Committee, USDA, Senate Office Building, Washington, DC.

DEAR SENATOR COCHRAN: I am interested in the frozen/fresh chicken controversy. I have recently retired as a University Professor of Food and Nutrition. As a consumer, I find little difference in the frozen and unfrozen chicken with regard to the state of thawing. The only chickens which are completely thawed, regardless of state of origin, are, for the most part, those on periodic price reduction sales. It has been my experience that wholly thawed at purchase chickens are often those which have been in storage the longest. These frequently have less flavor.

I prefer partially frozen (that is, not totally thawed) chicken when I purchase chicken, as chicken fat develops rancidity rather quickly. There are local differences in color of fat preferences by consumers and

California chickens have a generally more yellow colored fat than southern chickens. If a chicken is going to sit 3 or 4 days between harvest and sale, it would probably be preferable that it be frozen, no matter the point of origin. It would be unfortunate if partially frozen chicken could not be sold at a regular price.

Sincerely,

ANN R. STASCH.

The PRESIDING OFFICER (Mr. KYL). The Senator from Mississippi.

Mr. LOTT. Mr. President, I thank the distinguished chairman of the agriculture appropriations subcommittee for yielding me this time. I would like to go back and reiterate, for a moment, the process that is involved here.

On August 25 of this year, the Secretary of Agriculture revised regulations that imposed what I consider to be misleading restrictions on labeling of raw poultry products as ''fresh.'' This regulation was designed, as I understand it, by the California poultry industry, to make it difficult for competing poultry products from other sections of the country to be marketed in California without jeopardizing product quality.

Here is an important point. This new regulation is to take effect August 1996.

Senator COCHRAN's language in the bill would prohibit implementation of this regulation. That is very strongly supported by the ranking member. That will give us time to consider this matter further, to make sure the regulation is properly drafted and to make sure it is fair. That is all that Senator COCHRAN does, in this language in the bill.

The Agriculture Committee, the authorization committee, has not even had hearings on this matter. It is very important to all of the different parties involved. I believe the poultry industry would be very happy to work with the agriculture authorization committee and with all those interested and involved, both on the Appropriations Committee and from the State of California and all the other States affected, to come up with a regulation that is fair and that we can all live with.

So I wanted to emphasize this. This regulation is not even scheduled to go into effect until August 1996. We have the time to look at this matter very carefully. Funds should not be used to implement, start implementing this regulation until we have had hearings and really thought it through carefully.

The purpose of the provision is to require that the Secretary of Agriculture develop and implement a more reasonable regulation. Pleas were made to the Secretary of Agriculture to do that. It does not prevent the Secretary from eventually imposing a final rule.

The fresh poultry regulation that we are dealing with right now is going to cause major problems. For instance, in my own State of Mississippi, if a poultry firm ships a load of poultry from our State to California at 28 degrees, but it is unloaded and put in a freezer set at 26 or 24 degrees, it will be labeled ''hard chilled.'' The sender of this poultry, Sanderson Farms, in this case, followed all the procedures but its poultry would have to have a stamp which the consumer would mistake for it being frozen. When you ship something at 28 degrees, it is not hard frozen. It is not a bowling ball. And it is generally considered to still be in a very fresh state. Yet, once it gets to the State of California how it is handled could determine how it is labeled and could very much impact the sales in that State.

USDA's final rule also ignored the fact, in my opinion, that 23,000 of the 26,000 comments received objected to all or portions of the proposal. Ironically, the rule even ignores USDA's own study, done by the Agricultural Research Service, demonstrating that consumers cannot detect any quality differences, as pointed out by the letter from the lady in California, between poultry chilled to 26 degrees and products chilled to lower temperatures.

The same USDA study showed that, under ideal laboratory conditions, temperatures can only be controlled within plus or minus 2 degrees. Nevertheless, some reason, something caused USDA to go ahead and implement this regulation without providing any temperature variations or tolerances in the final rule, and that is critical. There must be some tolerance, some allowance for variation.

Also, I might note for those who represent pork and beef producing areas—and we have both of those in my own State—I think we need to be careful if we start down this road toward what can be considered, I believe, mislabeling. In the case of pork and beef, already, in order to be able to handle them better, products are brought below 26 degrees. Trim products from beef and pork boning operations are frozen. They are later thawed and used in ground beef and pork sausage sold as fresh. Frozen beef is mixed with fresh to get a mixture that forms well in patty equipment. Frozen lamb is routinely thawed at retail and sold fresh. Bacon is routinely chilled to below 26 degrees Fahrenheit to aid in slicing.

So, I just think what the Senator is trying to do here with the support of the senior Senator from Arkansas is say let us stop now, before we implement a rule that is misleading and unfair. Let us think about it. Let us talk about it. Let us have hearings on it. Then we can come up with a rule that we think everybody can live with.

So I urge my colleagues to support the action of the committee and oppose the amendment by the Senator from California.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I rise today in opposition to the amendment offered by the Senator from California.

Recently, USDA issued a final rule prohibiting poultry that has ever been chilled below 26 degrees from being called fresh. Under the new rule, poultry chilled below zero degrees would be labeled frozen, poultry chilled between zero and 26 degrees would be labeled hard chilled, and poultry held above 26 degrees would be labeled fresh.

All we are asking for is a little common sense.

The language in the committee's bill is simply designed to ensure that before implementing any new regulations on this matter, USDA address three issues: First, the temperature variance; second, the language on the label; and third, to ensure consumer health and safety is fully protected.

The USDA's new poultry labeling rule does not allow for a temperature variance. As it stands, a poultry product could drop one-tenth of a degree below the cutoff assigned by USDA, and it would have to be relabeled. Yet USDA's own studies show it is impossible to maintain a refrigerated product's temperature to within 2 degrees of the target temperature. Imagine transporting a refrigerated truck long distances, through a variety of climates, and many stops and handlers. There needs to be some degree of flexibility in this rule to permit for those types of variations.

But I think the key words here are long distances. I hope no one is fooled by this debate. The issue here is competition—competition from out-of-State producers. Certain producers just do not want to compete with products from out of State. Maybe their production costs are too high, maybe they are not as efficient, or maybe they just do not want the competition. But the consumer does. The consumers I hear from want the greatest possible selection of safe foods at the lowest price. They do not care if their chicken comes from California or Arkansas or Virginia. They just want the highest quality product at the lowest price.

In case there is any doubt about what is a stake here, let me tell a story. A few months ago, I opened a Richmond, VA, paper and saw an add urging Virginians to call me and express their displeasure with my position on this issue. Obviously someone was very concerned for Virginia consumers. But down at the bottom of the add, in small print, were eight very telling words: ''Paid for by the California Poultry Industry Federation.''

Second, USDA has resorted to some unique terminology. Before USDA got into this there were two kinds of chicken: fresh and frozen. Simple enough. You went to the store, read the label, bought your chicken, and you were finished. Common sense.

Now, according to USDA, there are three kinds of chicken: fresh, frozen, and hard chilled. Some might call that an improvement. I call it confusing. As the junior Senator from California said earlier: ''You will hear words that have no meaning.'' Well there are two.

Linda Golodner, president of the National Consumers League said ''Consumers generally are familiar with the

terms fresh and frozen. Now we have to educate them about what it means when something is 'hard chilled.'' Once again, regulatory zeal displaces common sense, and consumers need to be reeducated by those who know better.

But why not just call it fresh, frozen, or ''from somewhere other than California.'' I guess hard chilled is more concise.

Whatever term USDA selects to describe this new category of poultry, it should be a neutral term, not one that denigrates the product, confuses the consumer, or that benefits one market segment over another.

Mr. President, the committee bill in no way hinders the regulatory process. We ask simply for a level playing field. In the end, I am convinced that sound science and common sense will prevail. I urge my colleagues to oppose the amendment.

Mr. President, I, likewise, am very supportive of the action taken by the committee on which I am privileged to serve, the Senate Agriculture Committee, and, indeed, the position taken by the distinguished floor managers.

I just wish to propound a question here. I think we should have a little colloquy among us on this issue, because I think the only concern that remains is not all the technical business about the temperatures and everything, but did our committee—it is I my understanding we did as a committee—take into consideration the fact that our action as a committee would in no way jeopardize the health of the consumers? That is the bottom line. I am satisfied it does not, but I think it would be wise if we had the distinguished floor managers address that issue, and perhaps other Senators who might likewise wish to address it.

Mr. COCHRAN. Mr. President, if the Senator will yield, I am happy to respond. The Appropriations Committee has been questioning witnesses from the administration on this issue for some time. I can remember 2 years ago, the Senator from Arkansas [Mr. BUMPERS] was chairman of this subcommittee. At our regular hearing on the budget request this came up. We have talked about it. It is not a new issue. The issue is not whether we want to ensure that these food products are safe and healthy and do not in any way jeopardize human health because there is no question about that. This does not in any way put at risk any consumers.

All we are saying, as the distinguished Senator from Mississippi so eloquently put it—we are asking for time to review this in the Committee on Agriculture, for example, on which the Senator has served. We have not had hearings, as Senator LOTT pointed out. And the Agriculture Committee, that has jurisdiction over this legislation, ought to look at it and ought to have an opportunity to be heard in some official way, in my view, as controversial and as far-reaching and as unfair as many say this is; that it is protectionist regulation and that the administration has simply ignored some of the facts about how this poultry industry does business and what is used, in terms of chilling, to protect consumers, really.

Mr. WARNER. Mr. President, that is a very satisfactory response to my question. As I said, I serve on the Senate Agriculture Committee. We will have hearings.

But in this period of time that is embraced by the proposal, which I support, of the Appropriations Committee, those hearings will take place. But we also give assurance to the people that we have primarily explored this question as to whether or not the current processing and transportation will in any way affect health and safety, and the answer is, flat out, ''No, it will not.'' That is very important.

Mr. COCHRAN. Mr. President, for the information of the Senator, I put in the RECORD at the beginning of this discussion a copy of the letter that actually was written on your letterhead, signed by 19 Senators, fully discussed from the point of view that the proposed regulations were unfair, and why, and that we have the interest of consumers at heart as well as fairness in the poultry industry.

Mr. WARNER. Mr. President, I thank the Senator for his leadership on this issue. Mr. President, I thank my colleague from Mississippi.

By coincidence, I was in the valley of Virginia yesterday on the occasion of the anniversary of the date of the Third Battle of Winchester, which was a very significant engagement during the Civil War. And I had a chance to meet with some of my constituents because our poultry industry in large part is in that historic valley of Virginia of the Blue Ridge Mountains. I know these people so well. I have grown up with them and have been with them all of my life. They would not even think of asking the Federal Government or the Congress or anyone else to do something that in any way jeopardized the health of the American people.

We export millions of birds daily from that area of Virginia—all over the United States; indeed, all over the world. It is a very significant industry, but an industry operated in large measure by the family farmers as we know them, co-ops and so forth. And these people are gravely concerned that someone might raise the allegation, ''Well, you are doing something that would jeopardize the health of the American people.''

I am glad that we have put that issue to rest. I thank the chairman.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, thank you.

Mr. President, I would like to respond to two comments that were made here, one by the Senator from Mississippi, which was echoed by the Senator from Virginia. Sometimes I wonder where I am. Is this ''Alice in Wonderland''? On October 13, 1994, in a unanimous vote by the U.S. Senate on poultry labeling:

> It is the sense of the Congress that the United States Department of Agriculture should carry out the plans of the department to hold public hearings for the purpose of receiving public input on issues related to the condition under which poultry sold in U.S. may be labeled fresh; and, (b) finalize and publish a position on the issue as expeditiously as possible after holding those hearings, and no person serving on the expert advisory committee shall have a conflict of interest.

That passed overwhelmingly. It is the law.

Now Senators stand up here and say ''not enough time, not enough hearings.'' That is extraordinary. We asked them to do this. Public Law 103–354, October 13, 1994. We said, ''Do this expeditiously.'' And now, ''Not enough time. This is not fair. Not enough time.''

What a way to kill a commonsense rule. It is not even based on the truth and the facts.

The other comment was that the Department of Agriculture did not listen to the people who wrote in on this rule. The truth is they discarded the form letters that came from employees of Tyson Poultry, and other companies on both sides of the issue, because they had a conflict of interest. Sure, they were consumers, but they worked for these companies. They wanted to make sure that they were not making this rule based on what people who have an economic conflict of interest believe, but what is in the best interest of consumers.

I ask unanimous consent to have printed in the RECORD Public Law 103–354, October 13, 1994, asking the Department of Agriculture to pass a rule that was fair.

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

TITLE III—MISCELLANEOUS

SEC. 301. POULTRY LABELING.

It is the sense of Congress that—

(1) the United States Department of Agriculture should—

(A) carry out the plans of the Department to hold public hearings for the purpose of receiving public input on issues related to the conditions under which poultry sold in the United States may be labeled ''fresh''; and

(B) finalize and publish a decision on the issues as expeditiously as possible after holding the hearings; and

(2) no person serving on the expert advisory committee established to advise the Secretary of Agriculture on the issues should stand to profit, or represent any interest that would stand to profit, from the decision of the Department on the issues.

Mrs. BOXER. Mr. President, if you ask the average person, ''If a chicken is frozen to 10 or 20 degrees, is it frozen,'' they would say yes. The Department of Agriculture in its rule did not even force them to do that; it said you can

market hard chill. And no one is up here saying that it is bad to buy a frozen chicken or turkey at all. All we are saying—the Consumer Federation of America and all the consumer groups that are lined up behind this rule—is, you have a right to know. You should know. It is only fair to know. Consumers now know how much fat there is in a product. I hope we all support that. That is an important health issue.

We know how many vitamins there are, how many minerals there are, how many calories there are, and how much protein there is. Should they not know if the product has been frozen? It affects the taste. It affects the price. It affects whether or not they will throw it in the freezer again because we know that is not a good thing to do if it has been defrosted once or twice.

Again, we hear a lot of talk about, oh, let us hold off. Do you know, my friends, when this all started? It was more than 8 years ago now because it was under the Bush administration. Eight years ago the Bush administration attempted to solve this problem. My colleagues came on the floor, ''We need more time.'' How about 100 years? How much time does it take to understand that fresh is fresh and frozen is frozen? I think it is a no-brainer. But then again, others may disagree.

Truth in labeling should be a practice in this country. And the only reason I can see why people oppose this is—you guessed it—money. You can get more money for a fresh product, and they know they cannot deliver it fresh. So they freeze it, but they market fresh. And it is highway robbery, if you really want to get down to it, for the consumers of America. How are we going to do this?

I do not know where these votes are going to come out here, but I know there is an awful lot of money behind it. And if this Senate votes today that frozen is fresh, I do not know. That will be a low point for me in terms of common sense.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I yield 5 minutes to the distinguished Senator from North Carolina [Mr. FAIRCLOTH].

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Mr. President, thank you.

Mr. President, I thank Senator COCHRAN.

Mr. President, I rise in opposition to the amendment offered by the Senator from California to strike a provision requiring the Department of Agriculture to report back to Congress with a new rule regarding poultry labeling. Both consumer groups and the poultry industry support the development of new labeling rules which are fair and based on scientific data about consumer views regarding descriptive labeling terms. But instead of taking this approach, the USDA arbitrarily established temperature ranges and descriptive terms which have no basis in science, marketplace experience, or consumer preference, and have never been heard of before.

Moreover, in issuing its recent labeling rule, the U.S. Department of Agriculture ignored 23,000 comments which it received in opposition to the proposed rule change. And it is worth mentioning that they only received 4,000 in support of the rule change, and these all primarily from one State.

This rule discriminates against poultry producers which market their products nationwide, and most agricultural products are marketed nationwide. But this rule carves out regional markets where local producers can sell their product free from out-of-State competition. It simply is a barrier to trade. Thus, in the end, this new rule is not at all proconsumer. It is anticompetitive and will result in higher consumer prices and protected markets where regional producers will reap monopolistic benefits.

The very day that Secretary Glickman was confirmed by the Senate, I came to the floor and voiced my concerns about this issue, which at the time was still in the form of a proposed rule.

Mr. President, I am disappointed and surprised that Secretary Glickman has allowed his Department to issue a final rule with as many flaws as this one has. I am shocked that he would tolerate the development of a major labeling rule with total disregard for scientific data or consumer views. He has allowed the USDA to pick the term ''hard chilled'' out of thin air. It is a term that has never existed in the poultry industry before. I have been around the industry all my life and had never heard the term. It is a totally meaningless term. There are absolutely no market data to support the appropriateness of the term, and there is no history of it ever having been used in the poultry industry.

Another problem with the USDA labeling rule is that it totally fails to provide for temperature variance for products shipped over long distances.

Common sense tells you that when you load a truck in Virginia and drive it across country to California, it is impossible to maintain an exact, no-variance temperature. I know from personal experience you just simply cannot maintain the temperature without any variance whatsoever as it travels through different climates and different time zones en route to its final destination. But what does a variance of 1 degree matter anyway?

In addition to the weather problems, the shippers also have to contend with cooling equipment, which is simply not that exact. Calibrating a thermostat to maintain a product temperature at exactly 26 degrees is a very inexact science and impossible to do. However, the USDA rule provides no temperature tolerance.

This is totally an unreasonable and farfetched idea, and it is completely unacceptable. A real proconsumer rule would be based on scientific data and would ensure competitive prices for poultry consumers throughout the Nation. The existing USDA rule accomplishes neither.

I encourage Secretary Glickman to revise the existing rules in a manner consistent with fairness, objectivity, and real marketplace competitiveness. Therefore, I strongly oppose the amendment offered by my colleague from California and urge its defeat. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I was prepared to yield some time to the distinguished Senators from Arkansas. I am going to let them decide which one goes first.

The PRESIDING OFFICER. There are 32 minutes on the side of the Senator from Mississippi, 33 minutes on the side of the Senator from Arkansas.

Mr. COCHRAN. Mr. President, I yield such time as the distinguished Senator from Arkansas [Mr. PRYOR] would like to have on this issue.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, let the RECORD show that the junior Senator from Arkansas was certainly willing to yield to the distinguished senior Senator from Arkansas to make his statement at this time. I have been looking forward to that statement. I think he, as the ranking member of the subcommittee, along with our friend from Mississippi, Senator COCHRAN, is doing a very good job of putting this issue exactly where it should be placed, and that is it is not an issue, in my opinion and I think in the opinion of many of my colleagues, of consumer protection. It is an issue basically of the protection of the State of California. That is where we see this issue coming down.

There is something missing about this debate, I might say, Mr. President, that is disconcerting to me, which I think, and hope, will deserve a response certainly, if I could elicit one, from my colleague from California, Senator BOXER. I am hoping to find out why the issue of only poultry—only poultry—is today before the Senate in this so-called great debate between frozen and fresh poultry products.

Mr. President, it is a known fact that beef, that pork, that fish may be frozen at any degree and they are not affected as the Senator from California, or I should say the Senators from California, would attempt to affect the products of poultry especially from the South and the Southeastern part of the United States.

I might say, also, Mr. President, that the Senator from Mississippi has rightfully offered his amendment and placed it into this basic legislation, into the committee bill. The Senator from Mississippi is not trying to obliterate what the U.S. Department of Agriculture is attempting to do. He is simply trying to say that any regulation in this area,

assuming that we would have hearings, as the Senator from Virginia, Senator WARNER, has stated on the issue, that the Committees of Agriculture in the House and the Senate must approve ultimately any language that the U.S. Department of Agriculture would adopt in imposing and, I might say, implementing such a far-reaching, sweeping regulation, in regulatory language.

Mr. President, I think it is also needful, or let us say worthwhile, at this point for us to sort of go back just a couple of years and see how this issue got to the Senate in this form.

First, about 2 or 3 years ago, the State of California passed a law to prohibit fresh labeling as has been under discussion today. I think, if I am not mistaken, that was in 1992 or 1993. The American Meat Institute and the National Broiler Council and others took this issue to court, in fact to the Federal court. The court held, with the support of the Department of Agriculture, that this particular law passed by the State of California was preempting Federal law and therefore basically was struck down. The U.S. Department of Agriculture then, Mr. President, agreed to review this regulation and issued an interim or a proposed rule.

During the rulemaking process, as other Members of the Senate have mentioned this morning, during that particular time of several weeks when people could comment on how they felt about this rule about to be proposed, or which assumingly was going to be proposed by the Department of Agriculture, of the 26,000 comments that came in, 23,000 stated they felt that the regulation went too far.

We think it also interesting to note, and perhaps the RECORD could be made clear on this, we do not know of any consumer in the State of California who objected to this labeling process that we have had so long, that has been so fair. We do not know of any consumer in Senator BOXER's or Senator FEINSTEIN's State who has objected to this process.

Who objected? The California Poultry Association, which is an association made up of California poultry producers who might not be as efficient as those throughout the South and the Southeast in the field of poultry production.

Once again, Mr. President, I think that there is no scientific basis today that we can see for the U.S. Department of Agriculture's arbitrary selection of 26 degrees as the threshold temperature for determining whether poultry is fresh. In fact, some say that if you kept poultry at 26 degrees, it might well spoil.

What this is, I think, is a nontariff trade barrier erected by the California poultry industry, not brought about by California consumers. There is no objection from California consumers that we know of. Perhaps we might even consider initiating new GATT or NAFTA rounds for a trade agreement among the States, involving the State of California and these particular poultry concerns that they are raising this morning.

Mr. President, we have time to hold hearings. And with the Cochran amendment in place, if it is kept in place, we are certainly willing and, I think, able to work out a fair solution to the issue of fresh versus frozen poultry.

I sincerely hope that the Senate will defeat the amendment offered by our very good and distinguished friends, the Senators from California, Senator BOXER and Senator FEINSTEIN.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Mr. President, I yield myself as much time as I might consume.

Let me say to my dear friend from Arkansas that he is correct that there were 26,000 comments. Now, 22,000 comments came from people who were employed in the chicken business in his home State and other Southern States, so I do understand their point of view. Of course I do.

A couple thousand came in from California, also people employed by the chicken industry there. So when they were making a decision, obviously people with a special concern do not carry as much weight as people who are not economically affected.

Let me tell you about that, because the Senators from Arkansas keep making this a California issue. As I said before, I have a split in my State. I have the chicken people backing this rule, and the turkey people strongly opposing it. I have come down on the side of consumers. As the Senator knows, it is hard when your State is not united. In this case, the Senator from Arkansas's State is pretty much united.

Let me say that I have a breakdown of the comments: 611 from poultry processors and growers, clearly with a special concern; 23 from trade associations; 12 from State government agencies; 6 from academia; 6 from consumer organizations; 5 from congressional Members; 3 from chefs who are interested in this issue; 2 from retailers; and 4 from other sources. And the vast majority of the individual letters were on company forms.

So I think it is hard to learn a lot from that. I think we all know if we are concerned that a rule might impact our economic abilities, of course we are going to write, and I support those people. But I think we have to cut to the bottom line here, which is, what is fair and what is just and what is right?

Clearly, the Senate is on record asking the Agriculture Department to issue this rule or this kind of a rule, which I think bends over backward. They did not say that produce under 26 degrees must be marked frozen—it allows the producers in Arkansas to mark those products ''hard chilled'' down to zero degrees—only when they go below zero. I also think it important that I place in the RECORD, and I ask unanimous consent to do so, a statement of the administration about this move by the Appropriations Committee to essentially cancel this rule or, if you will, I will say in nice terms, to deep-six this rule or to put it in a hard freeze.

This is what the administration says:

> The administration is strongly opposed to the committee bill's prohibition on the use of funds to implement or enforce the final regulation on fresh and frozen poultry, which was published on August 25, 1995. Publication of this regulation was the culmination of nearly 2 years of effort, during which the views of all stakeholders were heard and considered. The issue of proper labeling of poultry products has been the subject of litigation in Federal court as well as congressional- and USDA-sponsored public hearings throughout the Nation. Committee language would prevent consumers from receiving accurate information and assurance of a national standard in this area and could result in disparate and conflicting State enforcement activity.

I think this is important coming from the administration:

> The committee's language represents unwarranted legislative intrusion into the regulatory process.

We all know here that we are opposed to regulation that overreaches. But in this particular case, I say to my friend, the Senate itself voted, urging the Department of Agriculture to produce this rule, and now when they produce a rule that bends over backward to be fair—it takes them 2 years, public hearings all over the country—there is a backdoor attempt to stop it from going into effect.

I also want to make this other point. We keep hearing this is a California issue. I already told my friend that the California poultry industry is split on it, but I also want my friend from Arkansas to know that other States have passed labeling laws that mirror or are similar to this rule. Those States are: Alaska, Arizona, Delaware, Illinois, New York, Oregon, and Washington.

So clearly, these other State legislatures are waking up to the fact that their consumers deserve truth in labeling.

I ask unanimous consent to print in the RECORD a list of those States and the types of laws that they have.

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

IRELL & MANELLA,
January 25, 1994.

To: Team
From: Matthew Sloan.

MEMORANDUM

File: NBC v. Voss and CPIF (Intervenor).
Re State Labelling Laws.

STATE LAWS

1. *Alaska* (unlawful to sell prev. frozen as fresh; no definition of fresh?):

Title 3: Agriculture and Animals: Section 03.05.035(a): Meat, fish or poultry which has been frozen may not be sold, represented or advertised as a fresh food.

(c) Commissioner shall adopt regs to provide for examinations to ascertain whether it has been frozen.

Title 45: Trade and Commerce: §45.50.471: Unlawful to (b)(21) ''selling, falsely representing or advertising meat, fish or poultry which has been frozen as fresh food''.

2. *Arizona* (defines fresh; prohibits misbranding):

Title 3: Agriculture and Dairying: §3–2151: Definitions. This section defines:

(7) ''Fresh'' means any dressed or ready to cook poultry or poultry product which has not been frozen.

(8) ''Frozen'' means any . . . poultry product which is in fact in a frozen state and which has been constantly maintained at a temperature of thirty-two degrees Fahrenheit or lower.

(11) and (12) define label and labelling.

(13) ''Misbranded'' shall apply to any poultry product under one or more of the following circumstances, if:

(a) Its labeling is false or misleading in any particular.

3. *Delaware* (fresh prohibition):

Title 16, Part IV, Chapter 33: Pure Food and Drugs. 16 Del. C. §3309:

Misbranding of Food:

For the purposes of this chapter, food is deemed to be misbranded:

(5) If it is obtained by the dealer in frozen bulk form and is subsequently thawed and offered for sale in a package or bearing a label indicating such food to be fresh.

4. *Illinois* (misleading; previously frozen requirement):

Chapter 410 Public Health Food and Drug Safety: Ill. Food, Drug and Cosmetic Act §410 ILCS 620/11

Sec. 11. A food is misbranded—(a) If its labeling is false or misleading in any particular.

(j) If it purports to be or is represented for special dietary uses, unless its label bears such [info prescribed by Director as necessary to inform buyers of value for such purposes].

(n) If its is a color additive unless [labelling in conformity with Section 706 of Federal Act] [Mr: shows when refer to federal act or regs for definitions/guidelines?]

(o) If a meat or . . . poultry food product has been frozen prior to sale unless when offered for sale, the package, container or wrapping bears, in type of uniform size and prominence, the words ''previously frozen'' so as to be readable and understood by the general public except that this subsection does not apply to [precooked items].

[My notes: (1) not define frozen; use federal definition? (2) This is a requirement not prohibition.]

5. *Kansas* (imported):

Section 65–6a47: requires that wholesaler or retailer label poultry from foreign country as ''imported''.

6. *Maine* (organic):

Title 7. Part 2. Chapter 103.

7 M.R.S. §553. Labeling and advertising.

Except as otherwise provided in this chapter, a good shall not be labeled or advertised as ''organic,'' ''organically grown,'' or ''biologically grown'' or by a similar term, unless the food is:

D. Meat, poultry or fish produced without the use of any chemical or drug to stimulate or regulate growth or tenderness, etc.

7. *Mississippi* (imported):

§75–33–101: must label foreign poultry as imported.

8. *Nevada* (imported)

§583.045: must label foreign poultry as imported.

9. *New York* (kosher labelling prohibitions and requirements; frozen labelling requirement.):

A. *Prohibits Using Kosher Label Unless Meets Orthodox Hebrew Requirements:*

See §201–a (1). Person who, with intent to defraud, represents poultry as kosher or k. for passover, if not meet orthodox Hebew religious requirements, is guilty of misdeameanor or felony (depending on amount of poultry.)

B. *If Retailer Sells ''Kosher'' Poultry Must Label either ''Soaked and Salted'' or ''Note Soaked and Salted'';*

See §201–a(2).

C. *Fresh Meat as defined under Kosher Law:*

Section 201–a(3): ''Fresh meat, meat by-products and poultry shall be defined as meat or poultry that has not been processed, except for salting and soaking.''

[Me: bolsters arguments that many different definitions of ''fresh''?]

D. *Labelling Requirement for Food First Offered for Sale as Fresh and than Frozen:*

Section 214–g provides that if any poultry, seafood, or meat was first offered for sale as fresh and then later frozen, it must bear label in form prescribed by commissioner informing that it was previously offered for sale in its unfrozen state.

10. *New Jersey* (kosher prohibitions):

Section 2C:21–7.2 Defines ''kosher'' as prepared in strict compliance with orthodox reabbinate.

Section 2C:21–7.4(b)(3) defines as a ''disorderly persons offense'' falsely labelling food product as ''kosher'' or otherwise if tend to deceive.

[Me: Note that (b)(1) and (2) seem to apply only to retailers (they exempt manufacturer or packer of food) but (b)(3) has no such limitation).

11. *Ohio* (kosher labelling prohibitions and requirements):

A. *Kosher Prohibitions:*

Section 1329.29 (A) No person shall do any of the following:

(1) Sell or expose for sale at retail, or manufacture, any meat or meat preparations or any fowl or preparations from fowl and falsely represent the same to be ''kosher'' or as having been prepared under, and of a product or products sanctioned by, the Orthodox Hebrew religious requirements;

(2) Falsely represent any food products or the contents of any package or container to be constituted and prepared as described in division (A)(1) of this section by having or permitting to be inscribed thereon ''kosher'', ''kosher style,'' etc.

[Me: Does this only apply to retail?]

B. *Kosher Requirements:*

§1329.29(B) requires that all prepackaged ''kosher'' meats/poultry must be ''soaked and salted'' and all fresh poultry marked ''kosher'' must either be labelled ''soaked and salted'' or ''not soaked and salted.''

12. *Oregon* (fresh; state of origin prohibitions):

Section 619.365 prohibits use of labels that say:

(A) misrepresent state of origin; or state that chicken

''(B) are fresh, if at any time after slaughter, they have ever been frozen''.

[Me: Where's definition of frozen? Federal definition or state? More research]

13. *South Carolina* (foreign origin requirement):

Section 47–17–310 requires all meat (poultry?) imported into state from outside *shall* be labelled ''imported'' in 24 point type.

14. *Washington* (frozen/thawed label requirement):

Section 69.04.333 requires that if poultry has been frozen at any time it must bear a label ''clearly discernible to customer that such product has been frozen and whether or not the same has since been thawed.''

15. *California* (organic).

Mrs. BOXER. Mr. President, I hope I have debunked the myth that this is a California issue. Certainly, there is support among parts of our poultry industry for this rule, but it is not universal. The main issue here is, do the consumers have a right to know? They already know the fat content, they already know the calorie content, they already know the minerals in products, they already know the vitamins, protein. For goodness' sake, they ought to know if a product has been frozen or deep frosted, and exactly what they are getting when they pay their hard-earned dollars.

I just have to say, again, I understand that colleagues must fight for their States, and I understand that completely. When you have a State that ships these products out, I understand why you would be here fighting for that industry and making sure that your State was not disadvantaged. So I have total respect, and if I was the Senator from Arkansas, who knows what I would be doing. So I am not being holier than thou in any way, shape, or form.

But I have to make the point that this is really about money; it is all about dollars. Otherwise, who would be opposing such a commonsense rule? You can get more money for a fresh product, so you market fresh. What is a little lie? You can ship your frozen product miles and miles into another State to compete with truly fresh chicken, and no one will know and you get top dollar, so what is a little lie? I say it is wrong.

I would like to take a little time to read a Washington Post editorial, or just portions of it. I ask unanimous consent not that we print this copy in the RECORD, but that a smaller copy be printed in the RECORD.

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

FAIR'S FAIR ON FOWL

''When I use a word,'' said Lewis Carroll's Humpty Dumpty, ''it means exactly what I want it to mean.'' Humpty Dumpty was an egg, but the observation applies especially well to a fight that's going on about chickens. Michael Taylor, acting agriculture undersecretary for food safety, recently tried to call a halt to 2½ years of squawking by issuing a rule that chickens and turkeys frozen rock solid and shipped that way, then thawed, may no longer be labeled ''fresh.'' At the last minute, though, a Senate subcommittee has come up with appropriations language that would block the rule, leaving frozen chickens and turkeys still eligible for the label of freshness.

The notion that fresh chickens aren't frozen, and vice versa, might at first seem uncontroversial. Consumers might like to know if a bird has been frozen and thawed, whether out of health or cooking preferences or because they prefer fresh meat. Small regional chicken companies see this preference for freshness as a possible selling point, since they, unlike the bigger producers, don't have to freeze their birds to ship them cross country. They have been wanting for some time to label their own birds ''fresh'' and to stop the national companies from so labeling theirs.

Inconveniently enough, however, the government at some point agreed that to be defined as legally ''frozen'' a chicken or turkey had to reach an internal temperature of zero degrees Fahrenheit, although the meat actually freezes solid at about 25 degrees above that. The big companies thus have been within their legal rights all this time to freeze their birds down to a point above zero

and label the meat ''fresh'' because it has technically never been ''frozen.'' The National Broiler Council beat back a California law that attempted to redefine ''fresh'' as having ''never reached an internal temperature of 25 degrees or below for more than 24 hours.'' The big birders successfully sued to establish that the state law was superseded by the less nature-bound federal version.

Would a frozen chicken under the proposed rules now be referred to as ''frozen''? Heaven forbid. ''Frozen'' chicken and turkey—the kind chilled below zero—would continue to be ''frozen.'' The stuff that had been frozen to between zero and 26 degrees, previously called ''fresh,'' would be labeled ''hard chilled.'' For now, though, barring a Senate turnaround, the victory may remain with the broiler lobbyists who complain that it's too arbitrary to draw an either-or distinction between fresh and frozen at all. Seriously, you'd think this one would be easy.

Mrs. BOXER. Mr. President, the first paragraph says:

''When I use a word,'' said Lewis Carroll's Humpty Dumpty, ''it means exactly what I want it to mean.'' Humpty Dumpty was an egg, but the observation applies especially well to a fight that's going on about chickens. Michael Taylor, acting agriculture undersecretary for food safety, recently tried to call a halt to 2½ years of squawking by issuing a rule that chickens and turkeys frozen rock solid and shipped that way, then thawed, may no longer be labeled ''fresh.'' At the last minute, though, a Senate subcommittee has come up with appropriations language that would block the rule, leaving frozen chickens and turkeys still eligible for the label of freshness.

My friend, that is what this is about. Some of us are trying to stop that attempt by the Appropriations Committee to block a rule that is over 2½ years in the making and, by the way, which started under George Bush. He tried to resolve this problem. We are talking about an 8-year-old issue that has not been resolved. He goes into the rule, which I have explained already, that says that it can be labeled ''fresh'' if it is down to 26 degrees, and ''hard chilled'' between 26 and zero, and it must be labeled ''frozen'' if it is below zero. The person who wrote this article is critical. He says:

Would a frozen chicken under the proposed rules now be referred to as ''frozen''? Heaven forbid. ''Frozen'' chicken and turkey—the kind chilled below zero—would continue to be ''frozen.'' The stuff that had been frozen to between zero and 26 degrees, previously called ''fresh,'' would be labeled ''hard chilled.'' For now, though, barring a Senate turnaround, the victory may remain with the broiler lobbyists who complain that it's too arbitrary to draw an either-or distinction between fresh and frozen at all. Seriously, you'd think this one would be easy.

Mr. President, I echo that. I thought this one would be easy. This one is not easy; it is difficult.

Mr. PRYOR. I wonder if the Senator will yield for a question.

Mrs. BOXER. I would be happy to.

Mr. PRYOR. I wonder if the Senator from California would educate this Senator as to the California Legislature, I think in 1993, enacting the law only relating to poultry. Why is it that the State of California only objected to poultry labeling and not the labeling of beef, not the labeling of pork, and not the labeling of fish? Why is it that we are letting those groups off and concentrating only on poultry products?

Mrs. BOXER. I say to my good friend, I do not serve in the California State Legislature, and I do not always agree with them on things. I cannot answer for why they did this. I assume that one of the reasons they did this is because, clearly, the issue was brought to their attention. I say right now to my friend that I am very much in favor of doing more. He asked before, why are we not doing fish? As far as we know, that is under the FDA authority. I am happy to team up with my friend to work for truth in labeling on every conceivable product. That is what it is about to me, making sure consumers know what they are buying and what they are getting.

Again, I guess one of the problems I have is—and this Senator is certainly saying nothing ill about a frozen product. Some people prefer to buy a frozen product. All I am saying is that it ought to be labeled so we know what the truth is. In terms of the legislative agenda of the California State Assembly, remember, we have many thousands of issues that come before us. I would be happy to research the issue and come back with a specific answer. I can only speak for what I can do.

In this bill, the Appropriations Committee is stopping a truth-in-labeling bill that involves poultry. I would be happy to support my friend for truth in labeling in any and every product he would like to bring forward.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, if the distinguished Senator has completed her statement at this moment, I will be happy to yield such time as he may consume to the distinguished Senator from Arkansas [Mr. BUMPERS].

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, how much time is remaining for the Senator from Mississippi?

The PRESIDING OFFICER. The Senator from Mississippi has 24 minutes remaining.

Mr. BUMPERS. Mr. President, this is another one of those issues which, on its face, would appear to give the California Senators the high ground. But it does not. It is the phoniest issue I think I have ever seen come before the Senate. The Senator from Arkansas, my colleague, Senator PRYOR, has just asked a very relevant question. Red meat products are routinely shipped at below 26 degrees and sold as fresh. Listen to this. Whole hog sausage is packed warm into tubs, then exposed to glyco or brine to chill below 26 degrees.

I can tell my colleagues that any time you buy sausage in the fancy meat section of the grocery store, the chances are about 90 percent of the time you are getting sausage that has been previously frozen. It is thawed for display purposes. Pork and beef loins and other products of beef and pork are routinely brought below 26 degrees. Why? So it is easier to slice. You get a better consistency in the slice if the temperature of the bacon is much lower than freezing. Trim products. When you trim steaks and roast, pork chucks and pork roasts, they take the trimmings and freeze them—not to 26 degrees, but to zero. And then they are later thawed and put with whole hog, and you buy whole hog sausage, some of which is fresh and some of which has been frozen.

Frozen beef: Frozen beef is mixed with fresh beef. Do you know why? To give it a better consistency, because it forms a patty better if half of it has been frozen. When you buy beef patties and pork patties, you are getting formerly frozen product. Frozen lamb is routinely thawed at retail and sold fresh.

Why are those things not included here? Because the California Poultry Federation does not care about lamb, they do not care anything about beef or pork, and they do not care anything about fish. What they care about is the fact that they only have 25 percent, or less, of the poultry business in California. California, right now, has the highest poultry prices in the United States. And if the Senators from California prevail, it will go a lot higher, under the name of consumerism.

Do you know what this regulation of the Department of Agriculture says? It says exactly what the California Legislature said in 1993—that the California Poultry Federation went to the California Legislature and said, ''Look, we cannot compete with the Southern and Southwestern States, so here is the way we have conjured up to deal with the issue.''

So the California legislature says, ''Any poultry product coming into the State of California may not be below 26 degrees.'' What does this regulation say, after the court, incidentally, had ruled that one illegal? The very same thing. Dan Glickman did not think this up. The Department of Agriculture did not think this up. They never thought of it until the California Legislature told them to think of it. And when the Federal court declared that the Federal Government had preemption rights over the safety of food, they came to the California Senators.

I am not complaining about the California Senators going to bat for their State, and I hope nobody will blame me or Senator COCHRAN for going to bat for our States. So here we are on the floor of the Senate protecting the California poultry industry. Unhappily, this rule applies to the entire Nation.

Mr. President, I have watched this Congressman—I forget his name—over in the House. He got a lot of publicity. You have to do crazy things to get on the evening news around here. So he takes a chicken, frozen at zero degrees, and uses it for a bowling ball.

The ordinary citizen looks at that and says, ''You mean I have been buying chicken like that?'' The Senator from California came in here with a frozen chicken this morning. You can use that for a bowling ball, too.

That is not what the debate is about. You take a chicken frozen to 26 or 27 degrees and use it for a bowling ball, and you will get splattered. This chicken, when it leaves the plant to go to California or any other State, is usually at 27 or 28 degrees. When it arrives at its destination, there is a distinct possibility that over the course of that 2-day trip, that some chickens—they are in boxes; they are in what they call a ''chill pack''; they are in a tray and the trays are in boxes—some of the boxes in the middle of the load may conceivably be below 26 degrees, maybe 25 degrees when it gets there.

Now, how are you going to handle that, Mr. President? Are you going to make them unload the whole load and relabel every chicken? Obviously, that is not doable. Economically, that is not doable.

So, what do you do? Nobody can tell you what the Department of Agriculture Inspection Service is going to ask for. I can tell you one thing: The $25 million that we put in for the Food Safety Inspection Service in the bill before the House is not going to be nearly enough to hire all the inspectors to check every temperature.

Is this just me? Listen to this. The Agriculture Research Service, which does all of the research on these things in their laboratories—in the laboratories—the Agriculture Research Service allows a plus or minus 3 degrees because that is the best they can do.

Yet, the California Senators say it has to be 26 degrees, not 1 degree below. As high above as you want to go, but if you go 1 degree below 26 degrees, no plus or minus allowances. Even the Agriculture Marketing Service has a minus or plus 2 degrees. No mistakes for mechanical failures, no allowance for anything.

Mr. President, while, as I say, this looks good on its face, I want to remind my friends from the red beef and the pork States and the fish States, you are next. Whoever you may be competing with, you can depend on them going to their legislature, the Department of Agriculture, and saying, ''We want the same treatment.''

The poultry industry has been attacked as long as I have been in this Senate. It is, as Gilda Radner said, it is always something, is it not, Senator? It was always inspection. Now the poultry industry has agreed to what we hope will be the best and final inspection of a product in the history of man: a macro-organism inspection system that will pick up anything on the carcass of a chicken.

Do you know who is squawking now even though it will cost a lot of money to put it in place? The labor unions, because ultimately it will be labor saving. As I say, it is always something.

Who do you think, Mr. President, finally, has the most to lose by shipping a bad product? It is the industry, is it not? If they send a bad product, if somebody gets sick, they are the ones would pay the price.

Listen to this. Billions and billions and billions of chickens have been shipped to the State of California and all over this country, that left the packing plants at 27 or 26 degrees and when it gets there, maybe some of the chicken was at 25 degrees, some of it was at 26 and some of it was at 27.

Do you know something else? Not one complaint out of billions shipped all over the United States, not one single complaint from anybody but the California Poultry Federation. Does that tell you what this amendment is about?

I yield the floor.

Mrs. BOXER. Mr. President, my friend from Arkansas is a great debater. He says this is the phoniest issue he has ever seen come before the Senate. Let me tell you what is phony. What is phony is marking a frozen product fresh. That is phony. What this regulation is going to do is cure that problem.

To make this a California issue is misleading. Alaska: ''It is unlawful to sell previously frozen as fresh.'' Why not attack Alaska, I say to my friend? Arizona: ''Prohibits misbranding.'' Attack Arizona, I say to my friend. Delaware: There is a prohibition; you cannot misbrand a food. Illinois: If a meat or poultry product has been frozen, it cannot say fresh. It has to say ''previously frozen.'' Why not attack Illinois?

New York: There is a frozen labeling requirement. Oregon prohibits the use of a label that says ''are fresh, if at any time after slaughter, they have been frozen.'' Washington State: Poultry that has been frozen at any time must bear a label ''clearly discernible to customer that such product has been frozen and whether or not it has been thawed.'' We know that California has a law, as was mentioned here several times.

So, put to rest the claim that this is only about one State. This is across the country, and I think that we in the U.S. Senate should respect those States that have gotten out in front of a consumer issue.

Now, I tell you something, I know these consumer groups and they do not get behind a phony issue. I do not know if you have ever dealt with them before, but I do not see Citizen Action standing up here on behalf of one industry. I do not see consumer unions standing up behind one industry. I do not see National Consumer League standing up behind an industry. I do not see Public Voice doing that, and I do not see the American Veterinary Medical Association doing that.

Clearly, this is not a phony issue. But if we do not defeat the committee amendment, a phony situation will continue.

By the way, do not be misled. They say the committee will put a rule into effect, but when we pass it, when we decide it. It has been 8 years since we have been trying to solve this consumer problem and it will be another 8, 10, and God knows how long, the consumers will not have their right to know. So I think the issue is drawn.

My friend says the price will go up. How does the price go up? It is the opposite. The price is artificially up now because a product that says fresh gets a higher price. And that is why the people in your State do not want to put an accurate label on there. They fetch a premium price for a frozen product. Therefore, they want to keep calling it fresh.

On the contrary, when this goes through—and I hope it will, and I do not know how we will come out on it—prices will go down and consumers who want to get a good price can buy a frozen product.

By the way, there is nothing wrong with that. Some prefer it. All we are asking for is truth.

Then my friend says the California Senator said ''26 degrees.'' We never said any such thing. The way the rule came about was because this Senate asked the Department of Agriculture to go hold public hearings, hear the experts, and they found out that the temperature in which it is frozen is 26 degrees. If they picked 24 degrees or 22 degrees, I could not challenge that, I say to my friend. It is a scientific determination. If it is rock solid it is rock solid at 25 degrees.

And he is right. He said a Congressman bowled a chicken down an alley to bring attention to this issue. He is right. It got the Congressman on the news. And sometimes people do that because they are so desperate that things like this will be legislated in the dead of night, in a committee, stuck into an appropriations bill, that they have to shine the light of day on this.

I hope every single consumer in America is watching this vote today. Because you will hear a lot of talk about pork, beef, fish—let us talk about that another time. I am with you. Let us have honesty in the way we sell products in this country. That is the way we are moving. We let consumers know a range of things about the products that they buy.

So, I am going to move, at the proper time, to table the committee amendment. As I understand the rules, and I ask the President if this is correct, the appropriate time would be just before the vote rather than at this time? Is that correct?

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator is correct.

Mrs. BOXER. Then I will at that time reserve my right to move to table the committee amendment. At this time I reserve the remainder of my time.

Mr. HELMS. Mr. President, on April 4, 1995, 19 Senators sent a letter to the U.S. Department of Agriculture in which we expressed our concern about

proposed changes in poultry labeling standards. The USDA has ignored our concerns and is preparing to impose unfair and subjective rules which will adversely and unnecessarily affect the poultry industry in North Carolina, indeed across this country.

At issue is the process by which the poultry industry labels its products—either ''fresh'' or ''frozen''—and whether the USDA will change the rules, unnecessarily and unfairly, on America's food producers. The losers, if the USDA prevails, will not be confined to America's chicken and turkey producers and processors, but also the consumers who are certain to be confused and misled by this USDA bureaucratic meddling.

Senators should be aware of some important facts when considering whether the Senate should allow the USDA to proceed with such unnecessary requirements.

First, the proposed rule change unfairly singles out the poultry industry. Currently, meat, fish, and poultry products are allowed by USDA to be preserved at temperatures below 26 degrees and be labeled as ''fresh.'' If the USDA has its way, the poultry industry alone must label its products as ''previously frozen'' when poultry products are stored at temperatures below 26 degrees.

Second, the proposed rule changes will hinder the growth of America's chicken and turkey industry. The USDA bureaucracy proposes to make permanent standards that the poultry industry already has had difficulty in meeting. Keep in mind, under the USDA's proposal, poultry companies will be required to process, store, and transport their products at specific temperatures beyond their control—and this bureaucratic meddling will automatically reduce the quality of food. This disservice to the consumer will also harm the poultry industry.

Mr. President, America's poultry industry is the envy of the world. Its further growth, and the confidence of the consumer, are at stake in this debate. The Senate should support Senators COCHRAN and BUMPERS in their efforts to prohibit funding for this unwise USDA rule change that will serve nobody's best interests—except, perhaps, the ego of the bureaucrats who came up with an idea whose time should never come.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time? The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am happy to yield time to my distinguished friend and colleague from Alabama [Mr. HEFLIN]. How much time would the Senator request, 5 minutes? Ten minutes?

Mr. HEFLIN. Mr. President, 5, 6, 7, 8, somewhere in that neighborhood.

Mr. COCHRAN. I am happy to yield the distinguished Senator 8 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I appreciate that. I rise in opposition. But first let me say that no opponent is more formidable than the little package of dynamite from California. Senator BOXER is a tremendous opponent. They say dynamite comes in little packages. And she certainly works on every issue that she takes a stand on. Most of the time she is right. But every now and then she gets misled and this is one of those instances.

My colleague asked me how much time I wanted, 5 minutes, maybe? I said 6, 7, 8, somewhere around that so I got 8—but, you know, as I think about that, why did I not say a specific time? Well, it is because there may be some variances of thoughts that I had, and variances are very important.

What is lacking from this, in regards to fresh, is variance. Thermometers differ. I have been in a hospital a good deal, and they take my temperature one way and it is one figure and they take it another way and it is a different figure. Then they, all of a sudden, will get thermometers that they take it in the ear for a minute, and in the old days you take the thermometer and you kept it for 3 minutes in your mouth, and you are supposed to put it in a certain spot and everything else relative to that.

The point I am making is you have a hard and fast rule and you are crossing the desert in a truck, you set it at 26 degrees, but by the time it gets through west Texas, where you are going through some area where the temperature is about 105, and 106, and it varies. Then I think what this also is, it is that we are going to see the inspectors are going to be the thermometer brigade. The thermometer brigade will be coming around, checking.

What we need here is some flexibility, some variance, that will allow—if you have something at 26 degrees, why not have it, say, a 4-degree variance because of weather or whatever else, relative to this? Trucks will have to stop and check the temperature about every 5 or 6 minutes to see that it gets to be 26 degrees.

As you travel across the desert and everything else they will stop. Sometimes, when these truckdrivers stop, they might also have something else to quench the heat. So I do not know what might be occurring relative to this. But, I think there is certainly a need for variance.

I have the front page and the introduction of the California Poultry Workgroup, University of California, Cooperative Extension, called ''Turkey Care Practices.'' In the introduction it has this:

> The number of turkeys produced in California peaked at 32 million in 1990 and dropped to an estimated 24.5 million by 1993. The major causes for this reduction was the necessity to import feed grain and the unfavorable business climate in California. Production costs in California are higher than in other areas making it difficult for the California industry to competitively produce turkey meat products for the consumer.

That is said there. I assume feed is the same for chickens. The same climate is there for chickens as it is for turkeys.

When you get out there, this is a cost issue. It is basically a protectionist issue. It seems to me we are missing the point on all of this. The way I heard Senator BUMPERS talking about freezing various meats, and you freeze bacon to slice it and you freeze beef to do various and sundry things, but turkeys—I know very few people who, on Thanksgiving, do not have frozen turkeys. Most of the turkeys that you buy in the market are frozen. That is one of the delicacies of the American cuisine, is turkey on Thanksgiving. But how many live turkeys do you see? There is nothing wrong with frozen food. Frozen food has a lot of things.

We talk about diseases. It kills a lot of germs in a lot of things that might be flying around and get on to the meats. So this is a safety protection, a food safety provision that Senator COCHRAN has come up with as well, in regards to this.

So, there are a lot of things we feel that people are not reviewing, they are not thinking about in all of these. This 26 degrees that has been said is not any scientific number. A lot of the companies put it on the market at 26 degrees. It is pliable, it is soft, it is certainly, with the ideas we have on poultry and other things, this concept of fresh—if it is 25 degrees it is no longer fresh.

When you cannot tell the difference in the feel, you cannot tell the difference in anything else, even if it is 24 degrees instead of 26 degrees. The point I am making here is the Department of Agriculture has some 26,000 comments and 23,000 of them, as I recall, were against this proposal. But they have some zealots over there in the Department of Agriculture on certain issues who throw to the winds reason, who throw to the winds the logic that is necessary and the real facts that underlie all of this.

So I think this is a mistake on what the Department has done. We ought to adopt the Cochran amendment that is in the bill, send it back to them, and tell them, ''All right. Let us take another look at it.'' At that time, Senator BOXER, with her dynamite approach toward her issues, can argue with the Department of Agriculture, and the California turkey group that I quoted from here can make their arguments. I just think that we are reaching out and making a very unrealistic approach toward an issue that is not the problem that it is being made here today.

Mr. President, I oppose the motion to strike the provision in this appropriations bill. The purpose of the language is to ensure that new poultry labeling rules are meaningful to all consumers.

The rule promulgated by the Food Safety and Inspection Service on August 25, 1995, prohibits poultry products

that have ever been chilled below 26 degrees from being labeled ''fresh,'' products chilled above 0 degrees but below 26 degrees would have to be labeled as ''hard chilled'' or ''previously hard chilled.''

There is nothing special or scientific about the 26-degree threshold temperature selected for determining freshness other than the fact that it is low enough to permit certain regional poultry companies to process their products in accordance with accepted industry practices. At the same time, the temperature suggested by those who have benefited by this regulation is just high enough to interfere with competing poultry products transported from other States from reaching these regional markets without jeopardizing product quality. This is especially true since USDA did not provide any temperature tolerance in the final rule.

You will not find anyone who can tell you with a straight face that poultry products at 26 degrees are fresh while those chilled to 25 degrees are no longer fresh. There is absolutely no scientific evidence that poultry freezes at those temperatures. That is something that came from a Hollywood script and a bureaucrat's desire to develop a punitive and unreasonable regulation. This kind of irresponsible regulation cannot be tolerated.

USDA has succeeded in developing a labeling system that designates high-quality poultry products and will confuse consumers. Poultry consumers will be misled by a labeling requirement that a product is hard chilled when it is, in fact, soft and pliable to the touch at the retail counter. Many consumers may be led to believe that such product is of lesser quality, when, in fact, it is the same high-quality product they have been buying for years.

Not only will consumers be misled by this designated labeling, but the threat of such labeling may force companies to ship poultry products at higher temperatures to avoid being required to use the labeling USDA has mandated, even in the absence of any affirmative quality claim. Basic science provides that cooler temperatures enhance the quality of food products. Poultry, as well as beef, pork, or lamb products, shipped at 24 or 25 degrees will have a longer shelf life and maintain their quality longer than products shipped at higher temperatures—to the benefit of consumers. Because of USDA's denigrating labeling requirement, however, poultry companies will be forced to ship products at higher temperatures, to the detriment of product quality and consumers.

The fresh poultry regulation was designed by the California poultry industry to make it difficult for competing poultry products from other sections of the country to be marketed in California without jeopardizing product quality. When consumers in California have fewer choices in the marketplace, they will pay higher prices for poultry. That is the hidden agenda of the California Poultry Industry Federation. It's simple economics—less competition, fewer choices, and higher prices. The consumer pays and the California poultry products take it to the bank.

We should reject USDA's misguided and ill-conceived regulation and instead require the agency, as we have been forced to do before, to develop a rule that will not result in consumers paying more for the high-quality poultry products they buy today.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Mr. President, might I ask how much time I have left in this great chicken debate?

The PRESIDING OFFICER. The Senator from California has 15 minutes and 53 seconds.

Mrs. BOXER. Let me say, Mr. President, to my friend, Judge HEFLIN, that he gave me a wonderful compliment. I really mean it. I want to give him one back. He is a powerhouse lawyer, judge, and Senator. He is very convincing. But on this one, I really believe fresh is fresh and frozen is frozen. You can talk about how to take the temperature.

By the way, while the Senator was speaking, I looked at who actually worked on this rule. Believe it or not—this is really interesting—this is an American Society of Heating, Refrigerating, and Air Conditioning Engineers. They actually made a decision that 27 degrees should have been the proper degree. But the Department of Agriculture gave the flexibility of a degree.

So there are scientists who worked on this. It had nothing to do with zealots. The National Institute of Standards and Technology came out with 26 degrees. So there was a disagreement. One said it is frozen at 27, and one said at 26 it is pretty frozen. But this is not about zealots. This is about common sense. The fact of the matter is we want to make sure our consumers know what they are getting.

I agree with my friend. There is nothing wrong with frozen turkeys, chicken parts, or anything. As I said, the Senator is right to say some people actually prefer to buy the frozen product.

All this rule says is you must clearly mark it as frozen if it is zero degrees or below, and you get to market hard chill if it is from zero to 26, which I think shows a great deal of flexibility.

On the inspection point, all the details will be worked out as they go into this rule with the industry. A lot of it is going to be self-enforcement, I might say to my friend. They are very aware, if there is a very large shipment, if one part of the shipment may have fallen below; it does not mean the entire shipment cannot be marked fresh.

So I think rather than saying that they are zealots over there, I think they have bent over backwards to be fair. They even have gotten criticized by some consumers for giving the folks a chance to have their product at 10 degrees marked ''hard chill.''

So my friend is a powerhouse. I have to say that respectfully I disagree with his conclusion on this one. I hope the Senate will support commonsense reform in this area. Again, the country is moving in that way. If people can know how much fat is in a product, how many vitamins are in a product, how many calories are in a product, how much calcium is in a product, and on and on, we have decided it is important for consumers to know this. They ought to know if a product is frozen or has been previously frozen. Eighty-six percent of the folks agree with that premise. We have a chance to stand with 86 percent of the folks.

I hope we will do that in defeating this particular committee amendment.

I reserve the remainder of my time.

Mr. COCHRAN. Mr. President, I yield 4 minutes to the distinguished Senator from Delaware [Mr. BIDEN].

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I thank my colleague, the distinguished chairman of the committee.

Mr. President, while we are exchanging compliments, I think this amendment is about the efficacy in the way in which the distinguished Senator from California protects her State. She does an incredible job. I do not know anybody since I have served here who looks out for California's interests better than she does. I think that is what this is all about.

We are very close friends, the Senator from California and I. I do not doubt for a single moment what she says about her concern about consumer interests. But I might say, if she prevails, California wins big in the marketplace. I am sure it is purely coincidental. But again, she is tenacious when it comes to California. She is too effective, as far as I am concerned, when it comes to California interests versus the interests of other parts of the country. I think that is what this is a little bit to do with.

She is also trying to influence my mind here by sliding something in front of me that has to do probably with something that says my position does not make any difference; I am not crazy about him anyway.

So, Mr. President, she will go to any lengths within the legitimate confines of the rules of the Senate to win, like just handing me that note.

This debate is not about health and safety. It is not about saving the taxpayers money. Let me state up front this amendment has absolutely no impact on Federal spending. Ensuring compliance will be essentially impossible. Literally one degree of variance would technically require a different label. A package placed, for example, near a refrigeration unit which cools to a temperature of less than 26 degrees would not be considered on par with poultry 10 or 15 feet away from that unit. That is hardly an efficient standard to impose on business. More importantly, the rule ignores the Agricultural Research Service study which

demonstrates that consumers cannot detect any quality difference between poultry chilled to 26 degrees and poultry at 2 or 3 degrees lower. Again, there is no difference between these two types of poultry.

It is not surprising to me, Mr. President, that virtually all consumers place poultry in the freezer for later use. I know that the sponsor of that amendment is not suggesting that the tens of millions of items that consumers take home and put in freezers all of a sudden make that chicken somehow, that poultry somehow, less palatable than if they did not take it from the grocery store to their homes. Interestingly, the Agricultural Research Service study concluded that under ideal laboratory conditions, poultry temperatures can only be controlled to plus or minus 2 degrees. Let me repeat that: Under ideal conditions, literally perfect conditions, we can only control it within 2 degrees.

What the distinguished chairman of the committee has done, he has not said we are not going to have a ruling. He has said look, let us go back and look at this. In fact, I respectfully suggest that many of the advocates of this amendment are more concerned about freezing the delivery of out-of-State poultry, and not actually freezing the product that is being allegedly frozen. This is about freezing out.

We sell a lot of chickens in California. I expect that California poultry producers do not like that. We have not figured how to make those birds fly from the Delmarva Peninsula to California, and then jump into a processing plant. We have not figured out how to do that. We have to put them in trucks. We try to do it at 26 degrees.

We do not want to be put in the position where my distinguished friend implies that the chickens we are sending, which are not below zero degrees, by the way, which is now frozen, is somehow less palatable.

I imagine my time is running out. I apologize for being so disconnected here. But how much time do I have left?

The PRESIDING OFFICER. Your time has just expired.

Mr. BIDEN. I ask for 5 additional seconds.

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

Mr. BIDEN. This is not about E-coli bacteria or cryptosporidium. The committee language is about simple fairness. It is about fostering competition and about improving the information available to consumers.

I hope we reject the amendment of my distinguished friend from California.

I yield the floor.

Mrs. BOXER. Mr. President, I want to say to my friend that he may be right that there is no difference to consumers. But 86 percent of the consumers think they ought to know what they are getting, No. 1. No. 2, the Department of Agriculture said they will be flexible in their enforcement. They have recognized the problem that my friend put out on the table, and I commend him for that. No. 3, back in October 1994, the Senate passed a unanimous vote, a sense of the Congress, that the Department of Agriculture should issue this rule.

We gave them guidance. We told them to hold public hearings all over the country. They did. We told them to publish a decision on the issue as expeditiously as possible. They did that. I thought they were a little slow, taking 2 years, but they finally did that. And we said that no person on the expert advisory committee could have a conflict of interest in the outcome.

Mr. BIDEN. Will the Senator yield for 1 second?

Mrs. BOXER. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 11 minutes.

Mrs. BOXER. Yes, I will be happy to yield.

Mr. BIDEN. Will the Senator tell me whether she thinks consumers know what ''hard chilled'' means?

Mrs. BOXER. I say to my friend they are going to know because of all the publicity we are giving it. I would prefer that we were just saying ''frozen fresh,'' ''previously frozen,'' ''thawed.'' But what they tried to do in this rule, I say to my friend, is accommodate some of the producers in the Eastern States who did not want the word ''frozen'' placed on it, and so they said, OK, if it is between 26 degrees and zero degrees it is hard chilled, and if is zero degrees or colder it is frozen.

I think both of my friends who have spoken in opposition this morning said it is an arbitrary thing. The fact is right now the rules say if you are freezing below zero, you have to say frozen. No one has ever complained about that. Nobody ever said if it is minus 2 degrees, we should say fresh. So there has to be some cutoff point. And the science says it is 26 or 27 degrees and the rule came down at 26.

I would also say to my friend that Delaware has a law on the books that is called ''Misbranding of food: For the purpose of this chapter, food is deemed to be misbranded if is obtained by the dealer in frozen bulk form and is subsequently thawed and offered for sale in a package bearing a label 'fresh.' ''

So I think that the Senator's State, in looking at the overall issue, not necessarily poultry but the overall issue of fresh versus frozen, is one of the leading States here because there is only about 10 that have come forward with these kinds of laws.

Finally, I say to my friend—and we are in a mutual admiration society and I will not go into that—I do find myself fighting for my State, for the consumers of my State. The poultry industry in my State is split. The chicken people like the agriculture rule and the turkey people oppose it. So I have come down on the side of the consumers, which I believe is what we should really do.

I say to my friend, Citizen Action, Consumer Union, National Consumers League, the Public Voice, and many others believe that fresh is fresh and frozen is frozen, and that is why I feel very strongly we should strike the committee amendment.

The administration thinks it is wrong to derail this rule. Eight years ago we tried to resolve this issue. It has been hanging around for 8 years. We finally had it solved. I am really kind of sad that we might derail it because no matter what my dear friend says to me—and he has been around here a lot longer—I do not believe the committee is going to rush to get a new rule in place. I am putting it in the best terms. I think this is a way to put this rule into deep freeze for a long time, never to see the light of day. That is my own view.

Mr. BIDEN. Will the Senator yield?

Mrs. BOXER. I will be happy to yield.

Mr. BIDEN. Just for 10 seconds.

Mrs. BOXER. I will yield as long as my friend wants.

Mr. BIDEN. I say to my friend, the poultry industry in my State, which is divided, by the way—some of the poultry people who are in my State share the Senator's view—is not looking for there to be no rule. They are looking for some flexibility in the 26 degree mark—2 or 3 degrees either way. They are not asking there not be a demarcation. They are not saying that the rule should say zero and below is frozen, above that is fresh. They are not asking for that.

So I am not standing here making the argument that there is no rationale related to having a third category here. I am suggesting that it is not workable as the standard proposed by the Department now which, to use the term freeze, is being frozen by the committee until there can be some more rational way to look at this.

So I wish to make it clear, we are not asking and I am not of the view that there not be a distinction made among the categories of how a chicken or a piece of poultry is packaged and sold.

Mrs. BOXER. I might say to my friend, I am glad to hear that, but from the bottom of my heart, if this is killed, we are not going to see that happen.

Let me say this. This is a very difficult issue because there are special interests on all sides of it, as my friend knows. What my friend is trying to do, he has a situation in his State where some of the businesses are for it, some are against. He took a position he feels is correct. I took a position I feel is correct.

The Agriculture Department in writing this rule really went to the scientists to set the standard. They did not ask just the industry because each industry has a special interest. So they asked the American Society of Heating, Refrigerating and Air Conditioning Engineers. Clearly, this is a group that is not a household name, and they do not have a particular interest. They examined the problem, and they came

out and said at 27 degrees ice crystals begin to form on the poultry flesh. They believed that 27 degrees was appropriate. Another group said it is 26 degrees. That group that said 26 degrees is—let me find it. I had it in the RECORD before. It is a technology group that said it is 26 degrees. So they went with the more, if you will, liberal number of 26 degrees.

Mr. BIDEN. Will the Senator yield for a brief comment?

Mrs. BOXER. I believe, if you leave it up to the businesses to come up with what they think is right, we are not going to have a fair rule. With all due respect to my friend, if we kill this today, I believe we are killing this for a very long time.

Mr. BIDEN. Will the Senator yield for another brief question?

Mrs. BOXER. Yes.

Mr. BIDEN. The experts in the refrigeration industry also point out that there is no way you can get that ideal number within less than 2 degrees. The science of refrigeration is not precise enough that you can get it within 2 degrees. So although they give you an ideal number of 26, they say that is when crystal began to form, they also say, if I am not mistaken, there are not refrigeration units made that can guarantee you can keep it at exactly 27 as opposed to 26 or 25 or 25 as opposed to 23.

So I would ask my friend the following question. Assume the issue here were to say 26 degrees plus or minus 3 degrees. Would she be willing to go along with that? Or is she stuck on precisely 27 degrees? Because the Senator from Delaware would be willing to go along with 26 degrees plus or minus 3 degrees, mainly because there is not the science in refrigeration that you can put a product in the back of a truck, send it off to be sold in California or anywhere else and be assured that for the duration of that trip it will not fluctuate several degrees above or below.

I might add, the reason why the producers are split in my State, the producers who sell only on the east coast think this is a good idea. The producers that sell in California say: I cannot get my product across guaranteeing it is exactly a certain temperature—I cannot assert, and the technology cannot guarantee me when I put it in the truck, that I can keep it within the rule no matter what I tell you.

Mrs. BOXER. May I say to the Senator I am down to 3 minutes.

Mr. BIDEN. I am sorry.

Mrs. BOXER. I have to say to my friend, this is exactly what I do not think we should get into: Will the Senator agree to 27 minus-plus. I believe if we start getting into that on the Senate floor, we are getting into minutia.

There is a science. Now, my friend may not believe it is accurate, but the other group that said it is 26 is the National Institute of Standards and Technology. The Agriculture Department said that flexible enforcement will be absolutely a defining goal. And today we enforce the law when it gets down to zero degrees. So at some point you have to have a cutoff with flexible enforcement, because clearly my friend makes a good point. But I never supported 26 degrees or 25 or 27. What I supported was science dictating when a product ought to be marked ''frozen.''

I think if we do not act today, I say to my friend—and I think he means it that he wants to work on something—it will be a long, cold month, 2 months and years before we get back to this issue.

I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from Mississippi has 10 seconds, the Senator from California has 113 seconds. Who yields time?

Mr. BUMPERS. Mr. President, the Senator from California has generously yielded me 30 seconds, which may be kinder than I would be to her under the circumstances.

Mrs. BOXER. Thanks.

Mr. BUMPERS. I thank her very much. Mr. President, I want to make the point the Senator from Delaware was making. If the Agriculture Research Service has to have a plus or minus 3 degrees in highly controlled labs and highly controlled labs have to have a plus or minus 2 degrees, to ask for a plus or minus 3 degrees in this situation without devastating an industry seems to make eminent good sense. It seems to me if we can transport chickens 2,000 miles and still beat the California Poultry Federation's price, there may be something wrong with the California Poultry Federation.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, let me say to my friends, it is hard to know what to say to my friends at this point, because when we started this debate, we wondered if we could keep it together through the entire debate. I compliment all of us; we have kept it together.

Again, I am going to finish off where I started, and then you are going to have to hear it again for 2 more minutes before the vote.

If I told you that this desk is a chair, you would think I was kidding. And if I told you that winter was summer and summer was winter, and ice was hot and warm was cold, and freezers were toasters, you would send me to the nearest psychiatrist.

I have to say, everything stripped aside, because there is money in industry on one side and money in industry on the other side and we know that, the bottom line is what is fair and what is right and what is common sense and what is reality.

We can decide we are the scientists here, and we can decide at what degree it is frozen and what degree it is fresh. I do not think that is our job. We have a fine, I believe, Department of Agriculture headed by a very fine man from Kansas who knows agriculture. He stepped in and oversaw this rule. We have a good rule. I hope we support it and defeat the committee amendment.

I yield the floor and thank my friends.

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

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, USDA's own study, conducted by the Agricultural Research Service, demonstrated that consumers cannot detect any quality differences between poultry chilled to 26 degrees and poultry chilled to lower temperatures.

The Food Safety and Inspection Service based its rule on assertions generated through a well orchestrated public relations campaign by those who would benefit from this new rule.

In effect, the agency is saying that although it cannot control temperatures under ideal conditions in a laboratory, the poultry industry must not let their products reach a temperature just 1 degree under 26 or the products will be declared out of compliance and mislabeled.

I urge Senators to vote against the California Senators' motion to table.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:33 p.m., the Senate recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. What is the pending business?

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. The clerk will report H.R. 4.

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.

Gramm modified amendment No. 2615 (to Amendment No. 2280), to reduce the Federal welfare bureaucracy.

Dole/Daschle amendment No. 2683 (to Amendment No. 2280), to make certain modifications.

AMENDMENT NO. 2692 TO AMENDMENT NO. 2280

(Purpose: To provide a technical amendment)

Mr. DOMENICI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DOLE, proposes and amendment numbered 2692 to amendment No. 2280.

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

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

The amendment is as follows:

On page 12, between lines 22 and 23, in the matter inserted by amendment no. 2486 as modified-

(1) in subparagraph (G), strike ''3 years'' and insert ''2 years''; and

(2) in subparagraph (G), strike ''6 months'' and insert ''3 months''.

On page 69, line 18, in the matter inserted by amendment no. 2479, as modified—

(1) in section 413(a), strike ''country'' and insert ''country''; and

(2) in section 413(b)(5), strike ''eligible countries are defined as:'' and insert ''ELIGIBLE COUNTRY.—A county may participate in a demonstration project under this subsection if the county is—''.

On page 50, line 6, in the matter inserted by amendment no. 2528—

(1) in subsection (d)(3)(A), strike ''1998'' and insert ''1996'';

(2) in subsection (d)(3)(C), strike ''1998, 1999, and 2000'' and insert ''1996, 1997, 1998, 1999, 2000, 2001, and 2002''; and

(3) in subsection (d)(3)(C), strike ''as may be necessary'' and insert ''specified in subparagraph (B)(ii)''.

On page 77, between lines 21 and 22, insert the following new section:

''SEC. 420. ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Notwithstanding section 658T of the Child Care and Development Block Grant Act of 1990, the State agency specified in section 402(a)(6) shall determine eligibility for child care assistance provided under this part in accordance with criteria determined by the State.''.

On page 303, line 15, add ''and'' after the semicolon.

One page 304, line 22, strike ''and'' after the semicolon.

On page 305, line 16, insert '', not including direct service costs,'' after ''administrative costs''.

On page 305, line 18, strike the second period and insert ''; and''.

On page 305, between lines 18 and 19, insert the following:

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

''(6) SERVICES FOR THE WORKING POOR.—The State plan shall describe the manner in which services will be provided to the working poor.''''.

Beginning on page 305, strike line 19, and all that follows through line 6, on page 306, and insert the following:

(d) CLARIFICATION OF ELIGIBLE CHILD.—Section 658P(4)(B) of the Child care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking ''75 percent'' and inserting ''100 percent''.

On page 738, line 10, strike ''on'' and insert ''for''.

On page 753, line 8, strike ''subsections (c) and (d)'' and insert ''subsection (c)''.

On page 753, lines 20 and 21, strike ''or serious physical, sexual, or emotional harm, or'' and insert '', serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which''.

On page 776, line 1, strike ''other'' the second time such term appears.

On page 786, line 7, strike '', through 2000'' and insert ''and 1997''.

On page 22, line 12, strike ''$16,795,323,000'' and insert ''$16,803,769,000''.

On page 99, line 20, strike ''$92,250,000'' and insert ''$100,039,000''.

On page 100, line 9, strike ''$3,150,000'' and insert ''$3,489,000''.

On page 100, line 22, strike ''$4,275,000'' and insert ''$4,593,000''.

On page 99, strike lines 4 and 5 and insert the following:

(I) by inserting ''(or paid, in the case of part A of title IV)'' after ''certified''; and

On page 27, strike lines 17 through 22, and insert the following:

''(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

On page 54, line 25, add after ''amount.'' the following: ''The Secretary may not forgive any outstanding loan amount nor interest owed thereon.''

On page 293, lines 8 and 9, strike ''any benefit described in clause (1)(A)(ii) of subsection (d)'' and insert ''any benefit under a program described in subsection (d)(2)''.

On page 293, line 19 strike ''subsection (d)(2)'' and insert ''subsection (d)(4)''.

On page 293, line 21, insert ''the'' before ''enactment''.

On page 294, line 20, insert ''under a program'' after ''benefit''.

On page 297, line 11, strike ''Federal''.

On page 297, line 20, strike ''and''.

Beginning on page 297, line 21, strike all through page 298, line 3, and insert the following:

(2) the term ''poverty line'' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

On page 298, line 3, strike ''involved.'' and insert ''involved; and''.

Line to be added at the appropriate place in Title XII of Dole's Amendment to HR. 4:

''In making reductions in full-time equivalent positions, the Secretary is encouraged to reduce personnel in the Washington, DC area office (agency headquarters) before reducing field personnel.''

(1) In section 501(b)(1), strike ''(IV), or (V)'' and insert in lieu thereof ''or (IV)''.

(2) In section 502(f)(1), strike ''(IV, or (v)'' and insert in lieu thereof ''or (IV)''.

Mr. DOMENICI. Mr. President, this amendment contains technical changes. I ask unanimous consent that the amendment be considered and agreed to, en bloc. It has been approved on the other side.

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

So the amendment (No. 2692) was agreed to.

MODIFICATION TO AMENDMENT NO. 2683

Mr. DOMENICI. Mr. President, on behalf of Senator DOLE, I send a modification to amendment No. 2683 to the desk.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The modification is as follows:

Strike page 7 and insert in lieu thereof the following: participate in work for more than an average of 20 hours per week during a month and may count such parent as being engaged in work for a month for purposes, of section 404(c)(1) if such parent participates in work for an average of 20 hours per week during such month.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide an entitlement to child care services to any child.

On page 17, line 22, insert before the period the following: '', and increased by an amount (if any) determined under subparagraph (D)''.

On page 18, between lines 21 and 22, insert the following:

''(D) AMOUNT ATTRIBUTABLE TO STATE PLAN AMENDMENTS.—

''(i) IN GENERAL.—For purposes of subparagraph (A) and subject to the limitation in clause (ii), the amount determined under this subparagraph is an amount equal to the Federal payment under section 403(a)(5) to the State for emergency assistance in fiscal year 1995 under any State plan amendment made under section 402 during fiscal year 1994 (as such sections were in effect before the date of the enactment of the Work Opportunity Act of 1995).

''(ii) LIMITATION.—Amounts made available under clause (i) to all States shall not exceed $800,000,000 for the 5-fiscal year period beginning in fiscal year 1996. If amounts available under this subparagraph are less than the total amount of emergency assistance payments referred to in clause (i), the amount payable to a State shall be equal to an amount which bears the same relationship to the total amount available under this clause as the State emergency assistance payment bears to the total amount of such payments.

''(iii) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this subparagraph after fiscal year 2000.

Strike page 11, and insert in lieu thereof the following: fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $1,000,000,000.

''(3) COMPUTATION OF GRANT.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Treasury shall pay to each eligible State in a fiscal year an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

''(B) LIMITATION.—The total amount paid to a State under subparagraph (A) for any fiscal year shall not exceed an amount equal to 20 percent of the annual amount determined for such State under the State program funded under this part (without regard to this subsection) for such fiscal year.

Mr. DOMENICI. I ask unanimous consent that the pending amendments to H.R. 4 at the desk be withdrawn, other than the Gramm and Dole amendments. This has been agreed to, also.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the 30 minutes for debate be postponed, to begin following the next two back-to-back rollcall votes.

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

Mr. DOMENICI. Mr. President, I yield the floor.

VOTE ON AMENDMENT NO. 2615

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2615.

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 Oregon [Mr. HATFIELD] is necessarily absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

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

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 441 Leg.]

YEAS—50

Abraham	Frist	Murkowski
Ashcroft	Gorton	Nickles
Baucus	Gramm	Packwood
Bennett	Grams	Pressler
Bond	Grassley	Roth
Brown	Gregg	Santorum
Burns	Hatch	Shelby
Chafee	Helms	Simpson
Coats	Hutchison	Smith
Cochran	Inhofe	Snowe
Coverdell	Kempthorne	Specter
Craig	Kyl	Stevens
D'Amato	Lott	Thomas
DeWine	Lugar	Thompson
Dole	Mack	Thurmond
Domenici	McCain	Warner
Faircloth	McConnell	

NAYS—49

Akaka	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Nunn
Bumpers	Inouye	Pell
Byrd	Jeffords	Pryor
Campbell	Johnston	Reid
Cohen	Kassebaum	Robb
Conrad	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Simon
Dorgan	Kohl	Wellstone
Exon	Lautenberg	
Feingold	Leahy	

NOT VOTING—1

Hatfield

So the amendment (No. 2615) was agreed to.

VOTE ON AMENDMENT NO. 2683, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 2683, as modified.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

The PRESIDING OFFICER (Mr. INHOFE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 87, nays 12, as follows:

[Rollcall Vote No. 442 Leg.]

YEAS—87

Akaka	Feingold	Mack
Baucus	Feinstein	McCain
Bennett	Ford	McConnell
Biden	Frist	Mikulski
Bingaman	Glenn	Moseley-Braun
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Bradley	Grassley	Nunn
Breaux	Gregg	Packwood
Brown	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Heflin	Pryor
Burns	Hollings	Reid
Byrd	Hutchison	Robb
Campbell	Inouye	Rockefeller
Chafee	Jeffords	Roth
Cochran	Johnston	Santorum
Cohen	Kassebaum	Sarbanes
Conrad	Kempthorne	Shelby
Coverdell	Kennedy	Simon
Craig	Kerrey	Simpson
D'Amato	Kerry	Snowe
Daschle	Kohl	Specter
DeWine	Kyl	Stevens
Dodd	Lautenberg	Thomas
Dole	Leahy	Thompson
Domenici	Levin	Thurmond
Dorgan	Lieberman	Warner
Exon	Lugar	Wellstone

NAYS—12

Abraham	Gramm	Lott
Ashcroft	Grams	Moynihan
Coats	Helms	Nickles
Faircloth	Inhofe	Smith

NOT VOTING—1

Hatfield

So, the amendment (No. 2683), as modified, was agreed to.

The PRESIDING OFFICER. Under the previous order, amendment 2280 is adopted.

So the amendment (No. 2280), as further modified, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. There will be 30 minutes for debate equally divided.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Texas, Senator HUTCHISON.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I want to thank the majority leader because this Senate is getting ready to take a major step to end welfare as we know it. The majority leader has put together a coalition that is bipartisan.

Mr. KENNEDY. Mr. President, may we have order? The Senator is entitled to be heard. She is making a very important statement. And could we insist on order for the remaining half hour?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I want to say that when we take this major step to end welfare as we know it, we will owe a great deal of the thanks to our majority leader for putting together this bipartisan coalition.

We are making an important policy change in America today. Welfare will be a hand up but not a handout. Welfare will be there for a transition, for people in trouble, but it will not become a way of life.

There will be a 5-year lifetime limit on able-bodied people getting welfare, so that family that is working hard to do better, to educate their children will know that they are not paying a bill for someone who is able but not willing to work.

In our bill, block grants replace entitlements for seven AFDC programs. We will be saving $60 billion in welfare costs, the most ever cut in welfare in our country's history.

What could have killed this bill was the inequity in block grants among the States. The States could have said, ''Well, if I don't get this for my State, I'm walking away from welfare reform.''

But many of us were able to get together and say each State is different. What we have done in the past is different, what we are going to do in the future is different and, therefore, we must accommodate each State.

Everyone has given so that we will have parity over the next 7 years. That is the hallmark of this bill: States rights, State flexibility to provide the programs that fit their needs.

In fact, it is the policy set by the Congress that States can become more efficient and responsive if Washington, DC, will just get out of the way. And today, Mr. President, Washington is going to get out of the way. Thank you.

Mr. MOYNIHAN. Mr. President, I yield 3 minutes to the indomitable Senator from Illinois, [Ms. MOSELEY-BRAUN].

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President.

Mr. President, the Senate is poised to take action on one of the most political issues facing this Congress. There is bipartisan agreement that welfare reform is needed, welfare is not a free ride, and work requirements should be placed on adult recipients as a condition of receipt. Certainly anybody who can work should work.

Welfare should have more than one goal, however. It should not only put people to work but it should also protect children. This bill, however, regrettably, does neither. It bears repeating. Of the 14 million-plus welfare recipients, two-thirds, or nearly 9.6 million people, are children; 60 percent of those children are under 6 years old. It is the 5 million preschool-age babies who will be the real objects of our decisionmaking today.

The most stunning error of this bill, in my opinion, is that it ignores entirely the plight of poor children. It dismantles the 60-year-old Federal safety net that has assured at least some assistance to them. This bill completely ignores the consequences to our national community of the abandonment of a safety net for poor children.

Earlier in this debate, I showed pictures from around the turn of the century, before we had a national Federal safety net. Those pictures showed young children sleeping on grates and picking through trash. Is that where we want to be when we enter the 21st century?

Mr. President, I am afraid this bill could make that shameful history a new reality. In my opinion, this bill takes a Pontius Pilate approach to Federal responsibility. As a national community, we are here washing our hands of responsibility for these poor children. This bill sends the problem to the States with high-flown rhetoric about State responsibility and innovation.

But what if—what if—a State proves unwilling to address the poverty of children in its midst? Are we to concede there is nothing that we as a national community should do? This bill makes certain that there is nothing that we can do.

And what if the States find, as Senator MOYNIHAN has shown, that incidents of child poverty in this country are localized in urban areas or in pockets of rural poverty? What if the States find that? Child poverty may not be a problem that is most effectively addressed by block grants to State governments. Who will speak for the children then?

It is said that this bill will end welfare as we know it. Had it ended welfare abuses, I would have been among the first to applaud it. Had it rationally addressed ending the poverty that is the first level qualifier for welfare, I would have enthusiastically supported it. But it does neither, and it will not end welfare as we know it but rather creates 50 welfare systems with the potential for real tragedy for children.

In my opinion, Mr. President, that is the fatal flaw of this legislation; that this is welfare as we knew it, back to the days of street urchins and friendless foundlings and homeless half-orphans. I, for one, am not prepared to take so giant a step backward or to be so generous with the suffering of those 5 million poor children under the age of 6.

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

Mr. DOLE. I yield 2 minutes to my colleague from Kansas, Senator KASSEBAUM.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, first, I would just like to respond to my colleague, whom I admire and whom I know feels deeply about children, about those who may not have a safety net protection. I would just like to say to Senator MOSELEY-BRAUN that I think one of the real strengths of this legislation is that we did strengthen child care, and child care is a very important requirement in order to have successful welfare reform.

I think this bill does strike a good balance, and I express my appreciation to those on both sides of the aisle who have worked to shape an exceptionally strong welfare reform bill, particularly the majority leader, Senator DOLE, who has tried hard to balance the interests of many people on both sides of this aisle, to Senator SANTORUM who also has worked tirelessly among those on our side of the aisle and those on the other side of the aisle. I will say to Senator DODD, as well, who has cared a great deal about trying to meet the needs of children in this legislation, that I think we do have a good welfare reform bill and, most importantly, it is not welfare as an entitlement. That starts us on a new path and one that I think will be most successful.

Mr. MOYNIHAN. I happily yield 3 minutes to my friend, the Senator from Minnesota [Mr. WELLSTONE].

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I have offered amendments that have been adopted—and so have other colleagues—that have mitigated some of the harshest effects of this piece of legislation. But an essential truth remains. For the first time in 60 years, we are eliminating a floor below which we never before allowed children to fall. Mr. President, for the first time in 60 years, we are saying that as a national commitment, as a national community, we will no longer take the responsibility to make sure that every child, even the poorest of children, at least has some minimal level of assistance, that children do not go hungry.

Mr. President, I ask myself the question: Will the passage of this legislation mean that there will be more impoverished children and more hungry children in America? The answer to that question is yes, and that is why I must vote no.

Mr. President, I ask myself the question: Is it true that the passage of this legislation will shut out hundreds of thousands of disabled children from essential services? The answer to that question is yes. That is why I will vote no.

Mr. President, I ask myself, as a Senator from Minnesota, the following question: In the context of all of the slash and burn—cuts in housing, cuts in Medicare, cuts in Medicaid, cuts in EITC, cuts in all these programs, with States then having to figure out where they are going to come up with the resources—I ask myself the question: Who is going to lose out? The answer is that it is going to be the children. They do not have a lobbyist. They do not have the PAC's. They are not the heavy hitters. They are the ones who are going to be left behind. And it is for that reason, Mr. President, that I will vote no.

We moved to a national standard in the early 1970's because we had children with distended bellies in our country. We had malnourishment and hunger in America. We said as a national community that we would not let that happen. Now we are turning the clock back. For the first time in 60 years, we move away from that commitment.

This is a profound mistake for America.

Mr. President, I ask myself the question: Is it the Minnesota tradition—an almost unique tradition—to speak for children, to advocate for children, to vote for children, to vote for all of God's children? And the answer to that question is ''yes.'' Therefore, as a Senator from Minnesota, I will vote ''no.''

The Dole bill will also affect the Hmong, approximately 30,000 of whom live in Minnesota and share with us their rich heritage and culture. Many in the Hmong community came to the United States to escape persecution after they aided the United States in the secret war of Laos.

Many of the Hmong now receive SSI and will be in danger of losing their benefits under the Dole bill. It is difficult—due to language barriers, lack of formal education and age—for the Hmong to become self sufficient. A large number of them depend on SSI benefits for their survival.

I yield the floor.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Rhode Island [Mr. CHAFEE].

Mr. CHAFEE. Mr. President, I want to express my support for the measure before us today. We have been working on this for many months. I am pleased we are finally able to approve a bill with bipartisan support. This bill is very conscious of the needs of children, a group I strongly believe should be cared for in any welfare program.

The measure before us contains additional money for child care and requires States to continue to maintain their financial effort for the life of the bill, for the 5 years. Senators BREAUX and DODD were very helpful in those issues. Under this measure, States would also be prohibited from denying benefits to single custodial parents with young children who do not work because the parents do not have child care.

This provision is extremely important for the protection of these very young children. The last thing we want to have happen is for parents to be placed in the untenable position of having to choose between leaving their children unsupervised while they work or losing their entire cash benefit.

I would like to note that S. 1120, the bill before us, does not make any changes in the foster care and adoption assistance programs. It has long been my belief that the Federal entitlement for these programs should continue and we should not roll back the Federal protection parts of the foster care and adoption assistance. Those entitlements are continued in this legislation.

On the subject of children's SSI, the Senate bill retains the concept of cash assistance for poor, disabled children and does not go as far as the House in scaling back eligibility. I am pleased that the Senate chose to take a more balanced approach to this issue than

the House. Most of the children in this program are severely disabled. Were it not for SSI, they would not be able to remain at home with their families.

I would like to thank Senator DOMENICI for his contribution to this bill in two areas—particularly in providing for the maintenance of the effort by the States. Senator DOMENICI led that effort. I also thank him for his help in removing the mandatory family cap. Under the Domenici approach, which we adopted, the family cap remains an option for the States. There is no evidence that denying benefits to women who have additional children while on welfare has any impact on birth rates. Senator DOMENICI spoke forcefully on that.

Finally, I praise our majority leader, Senator DOLE. But for his extraordinary efforts to find a common ground, we would not be here today. That is no easy feat, given our differences when we started out.

I thank him for his able leadership and the fact that we were able to achieve a bipartisan bill today.

Mr. MOYNIHAN. Mr. President, I am pleased to be able to yield 3 minutes to my esteemed colleague from New Jersey, Senator BRADLEY.

Mr. BRADLEY. Mr. President, I will vote against this bill because I think it would wipe out protection for families with children but would do nothing to repair what is really wrong with welfare. We have made some improvements in this bill, eliminating the job training consolidation that never belonged in the welfare bill in the first place. We tightened and strengthened child support enforcement. But the fundamental structure is deeply flawed and can only lead to deeper poverty and more dependency.

All we are really changing in this bill is the one thing that is not wrong with welfare—the financial relationship between the Federal Government and the State bureaucracy. That is not the problem. In fact, block grants create a new problem because States that have increasing numbers of poor families, because of a bad economy or simple population growth, would not have enough funds to assist these poor people.

Federal politicians should not simply transfer pots of money to State politicians without any standards about what the money would be used for. We do not need to transfer money from one bureaucrat to another bureaucrat. We need commitment to individual poor children.

While this bill would abandon the commitment, the real problems of welfare would remain—the rules that penalize marriage and work, the indifferent local and county bureaucrats who treat people as numbers and do nothing to help people take care of themselves, the brutal job market, the deep cultural forces driving increases in divorce, illegitimacy, and teen pregnancy; all these problems would remain, and many would get worse.

All this bill does is require States to penalize the children who are born into and live in the midst of all of this turmoil.

With all the rhetoric about changing welfare, how did we wind up with a bill that does nothing to change what is wrong with welfare? The short answer is: politics.

Neither party was as serious about really changing welfare as it was about capturing the welfare issue from the other party. Democrats promised to end welfare as we know it by tinkering with the levers of government, mostly in a positive way, but not in a way that deeply changes the lives of people on welfare. Republicans promised to do even better—abandon the welfare state. They would toss aside the Federal responsibility for poor families and children altogether. They did not know how to deal with the reality of poverty and welfare, so they came up with the solution by handing the whole problem over to the States for them to solve. Block grants create an appearance of change, but no real change.

The debate in the last few days, during which we accepted every amendment that did not challenge the underlying political rhetoric, also indicates the problem. The legislation does not abandon the mythical welfare state. But it does abandon our society's commitment to protect poor children from abject poverty, hunger, abuse, neglect, and death. Meanwhile, it does nothing to fix the real problem.

I urge everyone to think twice before joining the rush to send this deeply flawed bill forward into a process where it will get even worse.

Mr. DOLE. Mr. President, I yield 2½ minutes to the distinguished Senator from North Carolina.

Mr. FAIRCLOTH. Thank you, Mr. President.

Mr. President, as I have been saying ever since Congress began welfare reform debate, unless we address illegitimacy, which is a root cause of welfare dependency, we will not truly reform welfare.

Only by taking away the cash incentive to have children out of wedlock can we hope to slow the increase of out-of-wedlock births and ultimately end welfare.

Middle-class American families who want to have children have to plan, prepare, and save money because they understand the serious responsibility involved in bringing children into this world. It is unfair to ask the same people to send their hard-earned tax dollars to support the reckless, irresponsible behavior of women who have children out of wedlock and continue to have them, expecting the taxpayers to support them.

It is clear that our country must begin to address the crisis of illegitimacy. Today, one-third of all children are born out of wedlock. According to Senator MOYNIHAN, the illegitimacy rate will hit 50 percent by 2003, or sooner. The rise of illegitimacy and the collapse of the family has had a devastating effect on children and society. Even President Clinton has declared that the collapse of the family is a major factor driving up America's crime rate.

Halting the rapid rise of illegitimacy must be the paramount goal of welfare reform. Unfortunately, the Senate has been unable to follow the example set earlier by the House and has not included provisions, like the family cap, ending the current cash incentives for teenage mothers to have children out of wedlock.

The bill before us is far better than the one we started with. It has strong work provisions, transfers flexibility to the States and, overall, is a good bill. Unfortunately, it fails in the one key area which I feel very strongly about. It does fail to address the crisis of illegitimacy.

It is a missed opportunity for the Senate to send out a loud and clear message that society does not condone the growth of out-of-wedlock childbearing, and that the taxpayers will not continue the same open-ended subsidies for illegitimacy which has characterized welfare in the past.

I hope this bill returns from conference with strong provisions on illegitimacy. If it does, I will support it enthusiastically.

Mr. MOYNIHAN. Mr. President, I yield 3 minutes to my friend from Massachusetts, Senator KENNEDY.

Mr. KENNEDY. Mr. President, there is a right way and a wrong way to reform welfare. Punishing children is the wrong way. Denying realistic job training and work opportunities is the wrong way. Leaving States holding the bag is the wrong way. Too many of our Republican colleagues want to reform welfare in the worst way, and that is exactly what this bill does.

After more than 60 years of maintaining a good-faith national commitment to protect all needy children, the Senate is on the brink of committing legislative child abuse. This measure is an assault on America's youngest and most vulnerable citizens. I urge my colleagues to join with me in doing the right and compassionate thing, and vote ''no''.

In 1935, President Roosevelt said:

> The test of our progress is not whether we add to the abundance of those who have much. It is whether we provide enough to those who have little.

In passing the Social Security Act, Congress made a bold pledge to the elderly and to the children of our society that their well being would be ensured. It was a sign of what we stood for as a society.

With that legislation, Congress, made a historic promise—that no child would be left alone to face the cruel forces of poverty and hunger. Today, more than 60 years later, the Senate is breaking that promise. As an institution, we are turning our back on America's children.

If this legislation passes, whether needy children receive a helping hand

will depend on whether they are fortunate enough to be born in a State that has the resources and the will to provide that assistance. A minimal safety net for children will no longer be a part of what makes America America, but rather a gamble of geography.

This bill nullifies one of the fundamental roles of the Federal Government—to bring our country together as a nation. Instead it will encourage border wars as States across the country selfishly compete to assure that they do not become too generous to the needy and attract families from other States.

Granted, the child care and other modifications achieved in recent days have made this legislation less bad than it was. And that is no small achievement. But it is hardly a reason to support a measure that will devastate the lives of millions of American children to say it could be even worse—and probably will be after the Conference with the House.

This bill is not about moving American families from welfare to work. It is about cutting off assistance to millions of poor, hungry, homeless, and disabled children.

This bill is not about fiscal responsibility or deficit reduction. It is about misguided priorities—for which, as the columnist George Will has said, we will pay dearly as a society for years to come.

This bill is not about eliminating the barriers to employment that exist for people on welfare. It is about shortchanging the job training and child care programs needed to give people a chance. It is about setting arbitrary time limits on assistance for families who cannot find jobs, and providing grossly inadequate resources to make genuine opportunity a reality.

This bill is not about giving States more flexibility. It is about Congress washing its hands of a difficult problem, by slashing Federal funding, and then turning the remains over to the States with little accountability or guidance and even less leadership.

This bill is not welfare reform—it is welfare fraud. We are all for work—but this plan will not work. The Congressional Budget Office estimates that only 10 to 15 States will be able to meet the bill's work requirements and the rest will simply throw up their hands.

These actions are in no way required by the current balanced budget environment. The Republican majority has already shown that it is willing to spend money when the cause is important enough to them. When the Republican majority wanted to preserve a $1.5 billion tax loophole for American billionaires who renounce their U.S. citizenship, they found the money to preserve it. When the Republican majority wanted to increase defense spending $6.5 billion more than the Defense Department requested for this year, they found the money to fund it. When the Republican majority wanted to give the wealthy a $245 billion tax break, they will find the money to fund it.

But now, when asked to reform welfare and create a genuine system to help America's 10 million children living in poverty, the Republican majority tells those children: ''Sorry—check returned—insufficient funds.''

For billionaires, the Republicans will move mountains. For poor children they will not lift a finger—and their record makes that clear. As President Kennedy said in his inaugural address: ''If a free society cannot help the many who are poor, it cannot save the few who are rich.''

Poor children in America are worse off than poor children in 15 of the 18 Western industrial nations. The annual incomes for the poorest 10 percent of Canadian families, including all benefits, is nearly twice that of families in the United States. The United States has the greatest gap between the rich and the poor—a gap that will surely grow in the years ahead because of this harsh legislation.

Despite these realities, the Republican majority wants to take $60 billion over the next 7 years from programs supporting poor children and families, in order to help balance the budget and pay for their tax breaks for the wealthy. That is their priority.

When we tried to pay for increases in child care by closing the billionaires' loophole or ending other forms of corporate welfare, the Republicans said no—take it out of food stamps. They would rather harm poor children than offend fat cats who live on corporate welfare.

Some in the Republican majority say that this legislation will succeed—that faced with the prospect of benefits being cut off, welfare recipients will have no choice but to find work. Governor Engler of Michigan made that argument when eliminating Michigan's State-funded General Assistance Program. Unfortunately, things did not work out the way the Governor had said. Only one-fifth of the former welfare recipients found jobs —the majority became even more destitute.

And so it goes when social experiments go wrong. The Republican majority is asking us to put the lives of children in their hands as they prepare to push welfare recipients off the cliff in the hope that they will learn to fly. And what happens if they fail? Ten million children, who make up the majority of AFDC recipients, will pay the price, and as a society, so will we.

This is not just theory. We already know some of the havoc this legislation will cause. The administration estimates that the 5–year time limit in the bill will result in one-third of the children on AFDC becoming ineligible for assistance—4 million children. Yet when we proposed to give the States the option of providing vouchers to protect these children after the time limit, the Republicans said no. So much for States rights.

Of the parents who will be affected by the time limit, only one-third have a high school degree. Yet recent studies show that three-quarters of the available jobs in low-income areas require a high school diploma. Sixty percent of those jobs require experience in a particular type of job. And there are already two to three jobseekers for every job vacancy.

This bill is not seriously designed to change those realities. There is no way this bill can create jobs for millions of low-income, low-skilled parents who will be looking for work at the same time in the same communities. It will not help schools do a better job of preparing young men and women for an increasingly demanding workplace. In fact, the Republican majority is busy cutting the very education and job training funds necessary to produce a skilled American work force in the years ahead.

Welfare reform cannot be accomplished on the cheap. Governor Tommy Thompson of Wisconsin, whose welfare expertise has been praised repeatedly by the Republican majority, was recently quoted in Business Week as saying that in order for welfare reform to be successful, ''It will cost more up front to transform the welfare system than many expect.'' After his reforms in Wisconsin, administrative costs rose by 72 percent.

My Republican colleagues are correct when they say that this is an historic moment in the Senate. If this bill passes, today will go down in history as the day the Senate turned its back on needy children, on poor mothers struggling to make ends meet, on millions of fellow citizens who need our help the most. It will be remembered as the day the Senate broke a noble promise to the most vulnerable Americans. I urge my colleagues to vote ''no''—for the children who are too young to vote and who cannot speak for themselves. This bad bill can be summed up in four simple words—''Let them eat cake.''

I say to my colleagues—can you look into the eyes of a poor child in America and say, ''This is the best hope for your future'' I cannot—and that is why I must vote ''no''.

Ms. MIKULSKI. Mr. President, it is with reluctance that I rise in support of the welfare legislation which the Senate is about to pass.

I have serious reservations about many aspects of the bill as it now stands, not the least of which is the ability of States to address the needs of poor children during periods of recession or economic downturns.

Having said that, I believe that the modifications adopted in the agreement between the Democratic and Republican Leaders begin to move this bill in the right direction. Compared to legislation passed by the House earlier this year, it is substantially more responsible and in that sense, more likely to succeed.

First, the bill provides for an additional $3 billion for child care for those moving from welfare to work. We should expect those people on welfare

to go to work. But to do so, we must give them the tools to go to work. And child care is the most significant problem young mothers face as they try to move into the work force.

Second, the bill now requires States to maintain a safety net for poor children through the so-called maintenance-of-effort requirement. As a result, States must continue to spend at least 80 percent of their current welfare spending for the next 5 years. This will help ensure States go the extra mile to move people from welfare to work, rather than simply forcing recipients off of the rolls with no chance for employment.

Third, the bill does not include a job training block grant that could have siphoned off precious dollars used to help retrain victims of foreign competition, base and plant closings, or the negative effects of corporate downsizing.

Fourth, the bill creates a very modest contingency grant fund of $1 billion which States could tap to deal with increased need due to the effects of a recession or population growth.

In addition to these provisions, the bill incorporates much of the Democratic Work First proposal, S. 1117, in several key areas.

Teen Pregnancy: The bill includes the tough stay-at-home and stay-in-school provisions of the Work First bill. It also makes $150 million available as seed money for second chance homes, locally-based, supervised group homes for teen-age mothers which have been popularized by the Democratic Leadership Council.

Private sector work bonus: The bill also contains a bonus pool of funds that will be awarded, in part, on the basis of States' success at moving welfare recipients into private sector work.

Parent empowerment contract: The final bill has a requirement for a parent empowerment contract that welfare recipients would have to sign once they sign up for benefits. This contract obligates them to take charge of their own lives, commit to acting as responsible parents, and undertake an intensive job search—all designed to move them from welfare to work.

Work requirements: Finally, the bill includes provisions of the work first bill that tell States they should do everything they can to be moving welfare recipients into the work force as quickly as possible, with the expectation that the period for a transition from welfare to work should be approximately 6 months.

Having announced my support for this measure, albeit with some great reservations, I want the conferees on this bill to know that I will not support any conference report that moves in any significant and substantial way toward the punitive and harsh proposals in the House-passed welfare bill.

If the conference agreement contains a mandatory family cap, or arbitrarily cuts off benefits for young women, I will oppose it.

If it modifies the child care or maintenance of effort provisions now in the Senate bill, I will not support it.

If it has no means for States to cope with economic downturns, I will withdraw my endorsement.

If it moves to block grants for foster care and adoption assistance, for food stamps or child nutrition programs, this Senator will cast a ''no'' vote on that conference report.

I hope that the Senate framework will emerge from the conference committee so that we can have bipartisan welfare reform this year. But if not, this Senator will be on this floor later this year fighting to stop a bad bill from getting enacted.

INFORMATION TECHNOLOGY AND WELFARE REFORM

Mr. COHEN. Mr. President, I would like to raise a subject which I believe will be a key problem for the States in implementing welfare reform under block grants—ensuring the States are able to make the necessary investments in information technology.

Most of our attention here on the floor has been with regard to very contentious social issues such as work requirements and unwed mothers. We have devoted little attention to the problems States will face in managing the vastly increasing responsibilities which this legislation will transfer to them. I am concerned that all our hard work to set the stage for new and successful human services programs will fall short of its goal if States are not equipped with the necessary information systems. If the States are unable to handle these enlarged responsibilities, pressure will rapidly build for the Federal Government, piece by piece, to become involved once again in managing these programs.

The unfortunate fact is that many States are far behind the rest of our society in computerizing and reinventing the delivery of their services. Among the State agencies, it is often the human service agencies which are the most in need of automation. While I endorse the concept of block grants and the latitude they provide to States, I believe the Federal Government must continue to provide specific assistance to States to automate.

Mr. SANTORUM. My colleague raises an excellent point. Many States at present are struggling to take advantage of the benefits which information technology can provide. Twenty-two States are currently under court order to improve their child welfare programs. One of the saddest examples is right here in the District of Columbia, where the foster care system was placed in receivership by the courts.

According to the court-appointed receivers, the system of foster care placement was failing some of the city's most needy children. One of the major problems was a lack of information available to the field, largely due to the lack of even basic computer support in the District's foster care system. This is symptomatic of problems across our Nation, problems which can be overcome through effective use of information technology. Yet the States and the District face compelling alternative uses for the funds as caseloads increase.

Mr. COHEN. Congress over the years has sought to ensure that States have the proper tools to handle their responsibilities in human services programs. For example, the fiscal year 1993 Omnibus Reconciliation Act provided matching of State funds over a 3-year period to be spent or information systems for foster care and adoption assistance programs. Forty-six States and the District of Columbia have responded, and are on their way to improving their information technology systems in these critical areas.

Mr. SANTORUM. Increased automation will bring many efficiencies to human services programs. In numerous cases, State workers enter essentially the same information as many as 200 times in required paperwork. This wasteful duplication can be eliminated through automation. Further, investments in information technology yield substantial savings in welfare programs through elimination of waste, fraud, and abuse. In Rhode Island, for example, a $10 million investment in technology saved over $7.7 million in erroneous welfare benefit payments in the first year of operation. By now this investment has paid for itself many times over. The system allowed the State to handle a 40-percent increase in welfare cases, while reducing its program work force by 15 percent over a 4-year period.

Mr. COHEN. Unfortunately, without Federal help, many States will not be able to afford the up-front costs required to plan, develop, and install these systems, and train personnel on their use. This is why the Federal Government has always maintained a leadership role in this area. I strongly believe we must continue specific assistance to States in making information technology investments, even in a block grant environment. I call on the eventual conferees on this legislation to carefully consider this point, and work with the House to ensure the States have the resources to make the necessary investments.

Mr. SANTORUM. I join my colleague in making this request. I think some further consideration of the information technology needs of the States is vital for welfare reform to succeed.

AMENDMENT NO. 2683

Mr. COHEN. Mr. President, I rise to speak in support of the Dole modified amendment. Every Member of this body has come to the floor and declared that it is time to ''end welfare as we know it.'' We have disagreed on the most appropriate ways to do that but I hope that there can be no disagreement that welfare reform will not succeed without a more generous provision for child care services.

Even under the current system of entitlement, there are more than 3,000

children of working parents already waiting to receive child care assistance in Maine. Some of these parents have transitioned off of welfare, others are at-risk of going on welfare. One child care center in Maine has just now started serving families who have been on a waiting list for more than 2 years.

This amendment will create a separate block grant for child care services. By creating this separate grant fund, we hope to assist States by providing them with a specific amount of child care funds. This is identical to the approach the House of Representatives elected to take in the Personal Responsibility Act. We have gone further to provide States with additional funds and to help ensure that child care funding does not disappear for welfare families and low-income families alike.

I am glad to see that the Governors have finally weighed in on this issue. Last week, I received a copy of a letter sent to both the majority and minority leadership from the National Governor's Association requesting supplemental funds for child care services. I would like to quote one sentence from the letter, signed by Governor Thompson from Wisconsin and Governor Miller from Nevada. The NGA states that:

Child care represents the largest part of the up-front investment need for successful welfare reform.

More women will be able to work when there are child care funds available. More women who have jobs now will keep them if there are funds for child care. In a report issued by the General Accounting Office in December, GAO found that child care costs are a significant portion of most low-income working families' budgets. In fact, child care consumes more than one quarter of the income for a family below the Federal poverty level. For families above the Federal poverty level, child care consumes about 7 percent of income.

Unlike the Dodd-Kennedy amendment, we know where the funds are coming from to pay for additional child care slots. I support our efforts to eliminate the deficit by 2002 but finding money for States to follow through on welfare reform is imperative. By agreeing to realize a smaller amount in overall savings from this legislation, we have taken the steps necessary to lead to successful welfare reform and help us maintain our goal to zero out the deficit.

While there has been an emphasis on the need to help States meet work participation requirements, of utmost concern is the safety of children. Some parents are already forced to leave their children in unsafe settings. I recently reviewed a report from the State of Illinois where more than 40 children, half of them under the age of two, were discovered being cared for in a basement by one adult. The cost of that care was $25 per week.

This is not an isolated case. Recent studies have indicated that 1 out of every 8 children in child care are being cared for in an unsafe setting.

The provision for child care services in Senator DOLE's earlier substitute did provide certain protections for children who are not yet in school by prohibiting States from penalizing mothers who cannot work because there simply is no child care available.

The Senate also overwhelmingly approved an amendment sponsored by Senator KASSEBAUM to eliminate a provision that allowed a transfer of up to 30 percent of the funds from the child care development block grant. The CCDBG has played an important role since its creation in 1990 as a source of funds targeted at enhancing the quality of child care and providing subsidies to low-income families.

I urge my colleagues to support this amendment. Without access to child care, mothers will not be able to work. When 92 percent of AFDC mothers are single mothers, the need for additional child care slots must be met if our version of welfare reform is going to be successful.

INTERRACIAL ADOPTION PROVISIONS

Mr. MCCAIN. Mr. President, earlier this year I introduced the Adoption Antidiscrimination Act of 1995, S. 637, to ensure that adoptions are not denied or delayed on the basis of race, color, or national origin. I am pleased that the House passed an almost identical provision in its welfare reform bill, H.R. 1. It is my hope that the members of the conference committee on welfare reform will recognize the importance of this issue, and incorporate interracial adoption provisions in the conference report.

In the late 1960's and early 1970's, over 10,000 children were adopted by families of a different race. This was before many adoption officials decided, without any empirical evidence, that it is essential for children to be matched with families of the same race, even if they have to wait for long periods for such a family to come along. The forces of political correctness declared interracial adoptions the equivalent of cultural genocide. This was, and continues to be, nonsense.

Sound research has found that interracial adoptions do not hurt the children or deprive them of their culture. According to Dr. Howard Alstein, who has studied 204 interracial adoptions since 1972, ''We categorically have not found that white parents cannot prepare black kids culturally.'' He concluded that ''there are bumps along the way, but the transracial adoptees in our study are not angry, racially confused people'' and that ''They're happy and content adults.''

Since the mid-1970's, there have been very few interracial adoptions. African-American children who constitute about 14 percent of the child population currently comprise over 40 percent of the 100,000 children waiting for adoption in foster care. This is despite 20 years of Federal efforts to recruit African-American adoptive families and substantial efforts by the African-American community. The bottom line is that African-American children wait twice as long as other children to be adopted.

Last year, Senator Metzenbaum attempted to remedy this problem by introducing the Multiethnic Placement Act of 1994 [MEPA]. Unfortunately, the bill was weakened throughout the legislative process and eviscerated by the Clinton administration Department of HHS in conference.

After the original MEPA bill was hijacked, a letter was sent from over 50 of the most prominent law professors in the country imploring Congress to reject the bill. They warned that it ''would give Congressional backing to practices that have the effect of condemning large numbers of children—particularly children of color—to unnecessarily long stays in institutions or foster care.'' Their warning was not heeded, and the bill was passed as part of Goals 2000. As Senator Metzenbaum concluded, ''HHS intervened and did the bill great harm.''

The legislation that was finally signed by the President does precisely the opposite of what was originally intended. This is because it contains several huge loopholes that effectively permit continuing the practice of racial matching. For example, it states that an agency may not ''delay or deny the placement of a child for adoption or into foster care solely on the basis of [race, color, or national origin]''. This language can be used by those opposed to inter-racial adoptions to delay or deny placements by using race, color, or national origin as only part of their rationale.

An even bigger loophole is contained in the ''permissible consideration'' section of MEPA which states that an agency ''may consider the cultural, ethnic or racial background of the child and the capacity of the prospective foster or adoptive parents to meet the needs of a child of this background as one of a number of factors used to determine the best interests of a child.'' While this language may appear innocuous, it can be used by those who are committed to racial matching to delay or deny a placement simply by claiming that an inter-racial adoption is not in the best interests of the child.

DHHS has issued guidelines for implementing the Multiethnic Placement Act. Again, on their face, the guidelines do not appear to be objectionable. However, consistent with the underlying MEPA law, they continue to allow race to be a major consideration that may be used by those who wish to stop interracial placements. Consequently, the National Council for Adoption and Institute for Justice have informed the Department that its guidelines do not adequately address this issue. They continue to believe that new legislation is necessary.

Clearly, we need to fix last year's flawed legislation. In considering the

House provisions on this issue, the conferees should prohibit, under any circumstances, an agency that receives Federal funds from delaying or denying the placement of a child on the basis of the race, color or national origin. Racial or cultural background should never be used as a basis for denying or delaying the placement of a child when there is at least one qualified household that wants the child.

Perhaps, there are certain extremely limited circumstances in which an agency should be allowed to consider race, color or national origin, only when there are two or more qualified households that want the child and only as one of a number of factors used to determine the best interests of the child. But under no circumstances should such considerations be allowed to delay the adoption of a child. When there is only one qualified household that wants the child, that placement is, by definition, in the child's best interests.

Mr. President, I hope that the conferees will be willing to adopt a strong prohibition against consideration of race, color or national origin in placement decisions, and to close the gaping loopholes in the current law. By incorporating strong and reasonable antidiscrimination provisions in the Conference Report, we will help to remedy the national problem of children being held in foster care because the color of their skin does not match that of the individuals who wish to adopt them.

AMENDMENT NO. 2542

Mr. MCCAIN. Mr. President, the welfare reform bill imposes upon the States a 6-month time limitation for any individual to participate in a Food Stamp Work Supplementation Program. This amendment, which is supported by the National Governor's Association and the American Public Welfare Association, would replace the 6-month limit with a 1-year limit. It would continue to allow an extension of this time limitation at the discretion of the Secretary.

Arizona's current cash-out of food stamps under its Empower welfare program allows individuals to participate in subsidized employment for 9 months with an option for a 3-month extension. There is no reason that the State should have to make another special request to the Secretary in order to maintain this policy. This amendment would allow States with such policies to continue their programs without disruption.

Ideally, I would prefer that the States be able to plan their work supplementation programs without being constrained by requirements imposed by the Federal Government. The States know best how to structure their programs to help their citizens become employable. Thus, my preference would be to eliminate the time limitation altogether.

However, I recognize that many of my colleagues are insisting upon a time limitation for individuals under the program, and I am pleased that we were able to come to an agreement that meets the needs of Arizona and other States that wish to pursue similar policies. In the future, I plan to revisit this issue to allow States maximum flexibility to plan their work supplementation programs.

Mr. President, a primary objective of this bill is to encourage the States to innovate. The best way to achieve this is to get out of their way. We should not impose requirements limiting the States' flexibility unless there is a compelling reason to do so. This amendment will give States additional leeway to innovate in their work supplementation programs and will thereby help them achieve their employment objectives.

AMENDMENT NO. 2544

Mr. MCCAIN. Mr. President, this amendment would give States the right to correct problems in their welfare programs before penalties are imposed by the Federal Government. Titles I, III, and VIII of the bill impose significant penalties, in the form of reductions in grant funds, for States that are out of compliance with Federal requirements. I believe that it is simply unfair to punish States without first giving them an adequate opportunity to remedy the problems.

Under this amendment, a State would have 60 days in which to submit to the Federal Government a corrective action plan to remedy any violations for which a penalty could be assessed. The Federal Government would then have up to 60 days to accept or reject the State's corrective action plan. If it does not act within this period, the plan will be deemed to be accepted. Finally, the State would have 90 days to correct the violation pursuant to the plan before penalties may be imposed. A longer correction period would apply if it is part of an accepted plan.

A major objective of the welfare reform bill is to give States greater flexibility and freedom from Washington regulations in helping their welfare recipients to be productive, independent citizens. Where Federal requirements are imposed, States should have ample opportunity to comply with those requirements and correct any problems without being penalized. This amendment ensures this objective and the overall approach of giving States the flexibility to implement their programs.

Mr. President, this amendment is strongly supported by the National Governors' Association, the National Conference of State Legislatures, and the American Public Welfare Association. I ask unanimous agreement that the letter of support from the APWA be printed in the RECORD.

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

AMERICAN PUBLIC WELFARE ASSOCIATION,
Washington, DC, September 12, 1995.

Hon. JOHN MCCAIN,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR MCCAIN: The American Public Welfare Association strongly supports your amendment number 2541, that relieves states from the excessive data collection and reporting requirements in H.R. 4, if sufficient funding to allow states to meet such excessive requirements is not provided. We are deeply concerned that between the 15% administrative cap approved by the Senate earlier this week, the bill's penalty provisions, and the array of new and burdensome reporting requirements contained in H.R. 4, states will not have the systems support they will all need for greatest transformation of their welfare systems to date.

APWA fully supports State accountability in the use of block grant funds for national programmatic and fiscal goals. APWA policy calls for a state federal partnership in the establishment of minimal, clear, concise federal audit standards, related penalties, or sanctions for noncompliance. In addition, APWA supports your amendment number 2544, providing states with advance notice of any impending penalty, with the option of entering into a corrective action plan. The measure provides for accountability by states and the Secretary of Health and Human Services during the implementation of a corrective action plan, and provides states with the opportunity to remain focused on reforming their systems, while coming into compliance with the statute.

Finally, we support your amendment number 2543, to broaden the definition of work to include job readiness workshops as a work activity. With regard to work programs under a cash assistance block grant, APWA policy calls for enhanced state flexibility to design and implement work programs, including the right to define work. We also support your amendment number 2542, to remove the six month limit for an individual's participation in a work supplementation program under the food stamp program. Each of your amendments contribute to increased flexibility for states.

Again, Senator McCain, thank you for offering these amendments that are so vitally important to the successful implementation of welfare reform.

Sincerely,

A. SIDNEY JOHNSON III,
Executive Director.

WELFARE REFORM, AGAIN

Mr. HOLLINGS. Mr. President, like many voters, I have heard before the siren call of welfare reform—that if we only pass revolutionary legislation, the recipients will work, the poor children will be nurtured, and benefits reductions will be returned to taxpayers. Frankly, I am very skeptical that this plan will work better than those that went before.

First, its promises continue to feed rife misperceptions. Note the following facts:

Welfare actually is less than 2 percent of our budget.

Illegitimacy, far from rising due to the United States welfare system, has risen across the board to approximately one third of all births (not just welfare births) in America, France, and England despite different welfare systems and declining welfare benefits in the United States.

True reform that employs recipients and cares for children is likely to cost more in the short run, not less.

In short, the savings proposed in this legislation are unlikely to materialize. The bill would not stop the rise in illegitimacy. And, without a newfound commitment from Governors to fill the gap in child care, children will be worse off.

Furthermore, the basic funding mechanism for this legislation is seriously flawed. Southern States, for a variety of reasons including lack of funds, have built smaller welfare programs as part of the historic Federal-State welfare funding partnership. Now, the legislation before us proposes to end that partnership and provide each State with a frozen level of funding and a requirement to employ 50 percent of recipients. Reasonably, the Federal Government should provide an equal per-child amount to each State under this approach since each State must reach the same target. Instead, this reform bill locks States in at the vastly different historic funding rates:

Federal funding per child

New York	$2036
Rhode Island	2244
Washington	2340
Vermont	2275
Alaska	3248
Massachusetts	2177
South Carolina	393
Alabama	408
Arkansas	375
Mississippi	331
Texas	405

I don't know why southern children are worth so little to our current welfare theorists. There is no reason—indeed, it is offensive—to freeze in place past inequities in the name of forward-looking reform.

Again, South Carolina and Rhode Island will each be given about $100 million per year to run their respective welfare programs, although South Carolina has more than three times as many people. Similarly, South Carolina has slightly more people than Connecticut—3.5 million rather than 3.2 million—but under the Dole plan, the Federal Government will give Connecticut more than twice as much—$247 million yearly instead of $103 million for South Carolina. In effect, the South Carolina taxpayer will chip in a double payment to help Connecticut while struggling to meet an extra burden at home to meet the Federal child care and training targets.

How about Kansas? Kansas has 2.5 million people. South Carolina has 3.5 million people. Despite having a million fewer people, Kansas gets $18 million more than South Carolina from Federal taxpayers over the next 3 years to run its welfare program.

Mr. President, this unfairness has not fazed many of our governors. They want the cash and the control, whether or not the plan will work. I predict that the promises of reform will again prove false, but as before, I endorse the goals. In 1988, I voted to make it possible for States to draw down adequate funding for workfare programs and child care to really reform welfare. We have recently seen a few glimmers of success after that legislation, but only where investments have been made. Similarly, I have voted for a community works progress pilot program to allow communities and welfare recipients to benefit mutually from community improvement jobs.

More importantly, I urge my colleagues to pay attention to the policy areas that are not called welfare, but which in reality, have huge, long-term effects on welfare rolls. Chief among these policy areas are education and job protection.

For instance, over the past 20 years, high school dropouts have become more likely to end up on welfare. Overall, the welfare rate for young adults has risen slightly from 4 percent to 5 percent. However, among the high school dropouts, the rate has nearly doubled, from 9.7 to 17.1 percent. These particular high school dropouts are mostly women, since women and their dependent children make up the vast majority of welfare recipients.

However, a similar economic decline has faced their male counterparts, who generally do not have dependent children who would trigger welfare eligibility. Earnings for black male high-school dropouts fell by half from 1973 to 1989. About one third of all American men aged 25–34 earn too little to raise a family of four out of poverty. And, not surprisingly from the perspective of poor women seeking a mate, poor young men and less than one third as likely to be married. In short, jobs have dried up for the high school dropout, marriage has become less likely than before and the children of their incomplete families are more likely to be on welfare at a lower benefit level.

I urge my colleagues to take note of these facts—the importance of education and livable-wage jobs to preventing welfare dependency—as they work on the related issue of welfare reform. While we pass this reform bill on the Senate floor, recently passed cuts to education are headed for conference with the House. Just as States are taking the initiative to eliminate high school general-track education and replace it with tech prep programs that move graduates into better paying jobs, we are cutting back on the Federal tech prep program that provided leadership and the Carl Perkins vocational education program appropriations that have helped fund implementation. Just as data show that the economic split between college graduates and non-college graduates is widening, we are cutting back on Perkins loans, student incentive grants, and in budget reconciliation, college loans. In short, the data is telling us to go one way on education, but we are going the other way fast and bragging about welfare reform.

Similarly, on trade we have unilaterally disarmed, and in manufacturing we refuse to invest. I have proposed a competitive trade policy, including a competitive restructuring of our tax policy, and have worked to invest in a stronger American manufacturing base.

Mr. President, I do not brag about today's welfare reform legislation. In fact, my favorable vote today is largely an effort to protect the child care improvements I have worked for in the Senate bill as it goes to conference with a less favorable House bill. Furthermore, I support it in the hope that, with welfare off the table, my colleagues will look at the underlying problems that I have outlined and continue to work on improving access to jobs and education.

Mr. HEFLIN. Mr. President, there is no doubt that our current system of welfare needs reforming. Each Member of the Senate knows that severe shortcomings exist in our welfare program and each is sincere in their efforts to solve these problems.

The bill before us highlights block grants as the principal instrument for reform. By folding several programs into a block grant directly to States, the Federal Government will be giving broad authority to the States to run their welfare programs, as well as lump-sum Federal payments to help cover costs. If this is done, the Federal guarantee of cash assistance to all eligible low-income mothers and children will end.

I originally supported the Daschle-Breaux-Mikulski Democratic alternative as the best, most compassionate means of reforming welfare. The Work First reform plan would have changed the current system by: abolishing the AFDC Program and replacing it with a Temporary Employment Assistance Program; establishing the Work First employment block grant for States to get welfare recipients into jobs and to keep them in the work force; and permitting the States to use block grant funds to provide such services as job-placement vouchers, wage subsidy and work supplementation, on-the-job training or other training or education for work preparation to assist recipients in obtaining jobs, and allowing the States to establish all eligibility rules.

Furthermore, it would have increased the Federal matching rate for work-related activities, consolidated child care programs and increased the Federal matching rate to make child care available to all those required to work or prepare for work, and extended Medicaid coverage for an additional 12 months beyond the current 1-year transition period. It would have also required community service for those not working within 6 months. In short, the Democratic plan would have met the basic objective of the Republican plan in terms of allowing for State flexibility.

Its strength was that it provided for much more flexibility on the part of the State governments while also correctly recognizing that arbitrary time-

limits and monetary caps do not meet the test of sound policymaking. The plan which I strongly supported provided for major reforms in the system, but at the same time allowed for the fact that every situation and case is unique, and that arbitrary standards and block-grants are not panaceas for addressing every situation. It is these unique cases and situations that, unfortunately, are not addressed in the Republican plan. These are also the cases and situations which will end up costing the system more in the long-term than under the current system. I still believe this was the best reform plan we could have adopted.

The Dole-Daschle compromise welfare reform legislation, while not as sound as the original Democratic plan, is still a vast improvement over the Republican bill. I still have some objections to certain provisions contained in the measure, but I believe, overall, that the good outweighs the bad. As is the case with virtually any comprehensive omnibus legislation we consider, this test has to be our bottom line: Are there enough positives to offset the negatives? I think the compromise we have struck is a step in the right direction, and an overall positive effort at ending welfare as we know it.

One of the major problems I had with the original Dole bill was its funding formula, which, in my judgment, was somewhat punitive to the Southern States. In essence, it places the very States where most of the welfare population lives at a disadvantage as compared to other regions. The formula in the Graham-Bumpers children's fair share amendment, which was rejected, would have substantially increased poor States' funding for legitimate recipients of welfare. Senator GRAHAM tried again last Friday to alleviate some of the problems with the funding formula by allowing the Secretary of Health and Human Services more discretion in certain funding decisions, but that amendment was also defeated. As with most funding formulas, the figures can be misleading. In any event, I think that any problems that remain can be properly addressed when they appear in the future. There will also be an opportunity for the conference committee to address remaining deficiencies in the funding formula.

The Senate also agreed to a Daschle amendment creating a contingency fund for States during times of economic hardship. The original GOP block grant froze funding for States over the next 5 years, with no consideration for economic or natural disasters. This important provision provides eligible States with the resources necessary to manage unforeseen emergencies that are impossible to predict.

The second major objection I had to the original Republican plan was that it did not provide enough funding for child care for those mothers who will be required to work after 2 years. As Senator MOYNIHAN succinctly put it during the debate on child care, we will either have to pay for child care, or for orphanages.

Senate leaders wisely opted to cover more expenses for child care. Democrats were able to secure an additional $3 billion over 5 years for a total of $8 billion in funding to guarantee the availability of child care for mothers required to work. This is the key to shifting mothers of young children from the welfare rolls to the pay rolls. This major change will assist many mothers and their families to permanently move off of welfare and into the work force.

Welfare reform legislation is among the most important issues we will tackle during this or any other Congress. Our debate over the last couple of weeks has been civil, constructive, and, ultimately and most importantly, productive. We now have a bill before us which is a testament to the Senate and its leadership. In essence, it is a product of the Senate's legislative process working as it was designed to work, and I will vote in favor of this landmark welfare reform measure.

We have seen some hard-fought battles and witnessed significant changes in the original bill after some intense debate and good-faith negotiations between the two sides of the aisle. Each side has made concessions, while holding firm to certain core principles. We have arrived at agreements on several major issues. As a result, we now have a bill that contains stronger work provisions and that is not as harsh on children. While there are undoubtedly problems still remaining in the legislation that will have to be addressed down the road, the Dole-Daschle compromise is an overall positive step for reforming welfare, reducing dependency, and offering a brighter future for millions of American families.

CONTINGENCY FUND ELIGIBILITY TRIGGER

Mr. CONRAD. Mr. President, before we vote on the leadership compromise amendment, I would like to raise a concern about the contingency fund provision. I am concerned that, although included with the best of intentions, the unemployment-rate criteria used to trigger State eligibility has not worked particularly well in the extended unemployment benefits program, and may not be the best measure of State need for contingency fund assistance. I would appreciate the opportunity to work with the Finance Committee to identify another trigger that more effectively accomplishes the purpose of the contingency fund—to provide some degree of protection for States that experience economic downturns, population shifts or natural disasters. I would like to clarify whether the authors of the amendment share my concerns.

Mr. GRAHAM. Mr. President, I share the concerns of the Senator from North Dakota. I, too, am concerned about the ability of State to receive needed assistance from the contingency fund in the event of a recession or some other economic, demographic or natural calamity. I am very interested in the potential for exploring other trigger options in conference.

Mr. DASCHLE. The Senators from North Dakota and Florida have raised a very important issue. I believe this issue should be looked at more closely during conference. The trigger provision in the amendment is identical to the trigger for extended benefits under the unemployment program. I think it's fair to say that few of us are completely comfortable with using that trigger in this context. We clearly need more information than time currently allows before finalizing this issue.

Mr. DOLE. I share the opinion of the Democratic leader. We have every intention of closely examining this issue to ensure the contingency fund provides States with the protection it is intended to provide.

Mr. MOYNIHAN. Mr. President, might I just say that this is an extremely important issue, and requires the attention of the conference committee.

Mr. COHEN. Mr. President, one of the clear messages sent by the voters in last year's elections was that confidence in the Federal Government to solve problems has declined precipitously over the past 20–30 years. As David Broder observed in his Washington Post column, the 1994 elections ''ushered in a fundamental debate about what government should do, and what level of government should do it.''

There is a growing sense that the trend toward more centralized government in Washington should be reversed and that decisionmaking authority should revert back to the State and local levels. Some functions of government, like defense, must be conducted at the Federal level. Other functions, however, may best be left to the States.

Having said that, I believe we have a common and national interest in assuring an effective social safety net for all Americans, regardless of where citizens may reside. So I would not support any effort to completely remove the Federal Government from the welfare system.

Washington does not have all the answers. It is misguided, if not downright arrogant, for us to assume that one-size-fits-all Federal solutions offer better hope than granting more freedom to States to design approaches that address a State's unique set of circumstances.

In considering our welfare system, I think it is useful to distinguish beneficiaries by three major groups.

First, there are those in need of temporary assistance. People who, while they are generally able to support themselves and their families, they have fallen on hard times. Food stamps and other assistance must be there to provide temporary help when unforeseen economic crises occur.

The second group includes those whom most of us would agree cannot

work. These individuals—through no fault of their own, are simply not able to economically provide for themselves. They have disabilities that warrant our compassion not our scorn. The welfare system should be there for them.

The third group consists of people who fall somewhere in between the first and second groups. They have been on and off the welfare rolls for years, yet they do not seem to fit the profile of someone whom most would agree cannot work.

It is this third group that should be the focus of the current welfare debate. The debate has often been extremely polarized. Many on the left are reluctant to vest any sense of personal responsibility in welfare recipients. They view them as unwitting victims of societal injustices, refusing to acknowledge the role that personal behavior may play.

On the other hand, many on the right are reluctant to acknowledge that no person is an island—that each of us thrives or fails to thrive, to some extent, as a result of our environment. Some on the right naively believe that we all have the same opportunities and that a failure to succeed is simply evidence of laziness.

As in most cases, the truth lies somewhere in the middle. We do no one a favor by excusing them of all personal responsibility. But some of the poorest members of our society are born into environments of drugs, crime, and severe poverty. Through government, we have an obligation to try to counter these negative influences.

Unavoidably, a debate about welfare is a debate about values. Richard Price, the author of ''Clockers,'' a book about life in the inner city, said that during his year of living in a New York slum that he wanted to try to understand why some kids worked in McDonald's, earning minimum wage, while some of their peers hustled drugs outside, earning upward of $1,000 a day.

He said the key difference he was able to discern was that the kids working in McDonald's had someone to go home to who offered them hope. For these kids, working at McDonald's was a beginning not an end. The kids dealing drugs, however, had little hope about the future. They sensed that, if they went to work in McDonald's, they would never get out.

According to the author, the corollary to the hope that some homes offered was a sense of expectation that their children would meet certain expectations. They instilled a sense of discipline and a sense of hope that convinced their kids that minimum wage at McDonald's was better than hundreds of dollars in the drug trade.

Parents are the principal source of moral teaching. Regrettably, too many of our young people are growing up without two parents involved in their lives. The correlation between single parenthood and welfare dependency is overwhelming. Ninety-two percent of AFDC families have no father in the home.

Society must also acknowledge the correlation between crime and fatherlessness. Three-quarters of all long-term prisoners grew up without fathers in their homes or active in their lives. When 24 percent of children born today are born to unwed mothers, we cannot avoid this issue if we hope to break the cycle of poverty and crime that permeate some of our communities.

Unfortunately, no one really knows how to counter this trend. For this reason, I do not support efforts to attach a lot of strings to the welfare block grants, including provisions ostensibly designed to curb illegitimacy. It is clear that welfare reform cannot disregard the growing incidence of out-of-wedlock births, teen pregnancy, and absent fathers, but it is also clear that we do not know what will counter this trend. Accordingly, we ought not prescribe a Federal solution that would hamstring the ability of States to try different approaches.

Time will tell how effective States will be in improving our welfare system. To the extent that we clarify what level of government is responsible for welfare, I think we will go a long way to making the system more accountable and thereby more effective.

I support the general thrust of the pending welfare legislation to turn more decisionmaking authority over to the States. Consistency would suggest that we not at the same time put a lot of requirements on States on how and who to spend Federal welfare dollars. I do think that it is important to ensure that States share responsibility with the Federal Government by investing dollars at the State level in welfare programs. For this reason, I think it is important that the block grant provision include a maintenance of effort requirement.

Under current law, States have an incentive to spend their own money on AFDC and related programs. That incentive is the Federal match. Fourteen States receive 1 Federal dollar for each State dollar they invest. The rest of the States receive more than a dollar-for-dollar match.

A maintenance of effort provision continues the incentive for a State to spend its own resources to aid its own people. Understand, however, that the State match does not require a State to spend money. If a State is successful in trimming its costs, there is no requirement that it maintain its spending. But if a State is going to realize savings in its welfare program, I think the Federal Government should share in the savings, too.

I am also concerned about the bind States may find themselves in with respect to child care. Even under the current system of entitlement, there are more than 3,000 children of working parents already waiting to receive child care assistance in Maine. Some of these parents have transitioned off of welfare, others are at risk of going on welfare. The pending legislation has a strong work requirement—States that are not successful in placing 25 percent of recipients in work programs in 1996 will lose 5 percent of their block grant allocation, no questions asked.

The provision for child care services in Senator DOLE's substitute does provide protections for children who are not yet in school by prohibiting States from penalizing mothers who cannot work because there simply is no child care available.

I believe we are addressing my concerns with child care. Last week, the Senate overwhelmingly approved Senator KASSEBAUM's amendment which prohibits the transfer of money from the child care development block grant to activities not associated with child care. The amendment also streamlines the administration of child care programs because States will now be able to operate a unified child care system. No longer will mothers who successfully move off of welfare have to move their children out of a child care facility simply because they are no longer eligible for AFDC.

To give States a shot at meeting the goals of welfare reform, we have now provided States with $3 billion to expand child care services. In the year 2000, States must put 50 percent of their welfare population to work. This means that Maine will have to increase the number of working welfare recipients by 64 percent. Now that we have reached an agreement to realize a smaller amount of overall savings in the short term, in the long term these additional dollars will pay off.

A vivid example of a welfare program run amuck is the SSI Program, which I have investigated over the past several years through my work on the Special Committee on Aging.

Our investigations have discovered that the Federal disability programs, which were intended as a vital safety net for America's most vulnerable citizens—the elderly and the disabled poor—have mushroomed into the largest and fastest growing cash welfare programs in the Federal Government. Despite the huge outlay of taxpayer and social security trust fund dollars, we have paid far little attention to how these benefits are being spent and taken far too little notice of how the disability programs are being abused.

The lax management and rampant abuses in the SSI Program that have come to light through these investigations shocked the public. Drug addicts and alcoholics have been using cash SSI benefits to subsidize and perpetuate their addictions, and many addicts were actually seeking out the SSI Program as a steady source of cash to support their habits. The message of the program has been, ''Stay addicted and you qualify for benefits. But stop drinking or shooting up drugs and the benefits will stop.''

Tragically, these policies have not only drained the Federal Treasury, but

have also been destructive to substance abusers themselves, by rewarding addiction and discouraging, or failing to require, necessary treatment to pave the way to rehabilitation.

Following legislation I introduced to correct these abuses, Congress took swift action to place protections on disability benefits paid to drug addicts and alcoholics. We took the cash out of the hands of the addicts by requiring them to have third parties handle their benefits for them, and made alcoholics and addicts eligible for SSI only if they receive treatment for their addictions. Finally, we imposed a 3 year cut-off of SSI and disability insurance benefits for addicts and alcoholics.

These changes enacted last year removed major incentives for abuse of the SSI Program and encouraged rehabilitation, rather than lifelong dependency.

Another stunning example of abuse of the SSI Program pertains to one of the major areas of growth in the SSI Program, namely, benefits for legal immigrants. Just last week, for example, I released a GAO report finding that the Social Security Administration is not doing enough to crack down on fraud by translators who fraudulently assist legal immigrants qualify for SSI benefits. In one case, a middleman arrested for fraud had helped at least 240 immigrants obtain $7 million in SSI benefits by coaching them on medical symptoms and providing false information on their medical histories. The GAO has identified major weaknesses in how SSA awards SSI benefits to legal immigrants.

While the bill before us will go far in reducing the problem of unchecked benefits to legal immigrants, this will continue to be an area of potential abuse that we must continue to watch carefully.

Fraud and abuse in SSI should not be the only cause for reform of the disability programs. Even more fundamental problems should motivate reform. First, the SSI and disability insurance programs as now structured encourage lifelong dependency, not rehabilitation. The programs return virtually no one to work: Less than 1 person in 1,000 on the SSI-DI rolls gets off the program through the programs' rehabilitation efforts.

We must address the growth of these programs if we are to preserve them for the truly disabled. Persons are getting SSI at younger ages, with very little chance of ever getting off the rolls. The SSA recently estimated that a typical SSI recipient will stay on the rolls for about 11 years, and we are paying out roughly $51,000 in SSI benefits to each new person on the rolls over this period of time. The cost to the Government for each recipient is far higher when Medicaid and food stamps are added to the equation: Recipients can receive total Federal benefits of about $113,000 when these other programs are taken into account.

With dollars this large at stake it is crucial that we do all we can to reform the disability program so that it emphasizes rehabilitation rather than dependency. In reforming this program, our guiding principle must be that we preserve the disability programs for the truly disabled, but that we not remain blind to the very real problems that exist within the SSI Program.

As Marvin Olasky noted in his recent book, ''The Tragedy of American Compassion,'' effective welfare requires the ability to distinguish those who have fallen on hard times and need a helping hand from those who simply refuse to act in a disciplined and responsible manner. When welfare is a Federal entitlement, it is very difficult to make these distinctions. Giving State and local governments more discretion in the welfare system is a step in the right direction.

Block-granting AFDC to the States is not a panacea. A welfare system that has clearer lines of responsibility and accountability will be more effective. But this is not the end of the welfare debate. Hopefully, the legislation we enact this year will make meaningful improvements in the current system. But turning these programs over to the States will not itself fix the problems. Congress and the President must continue to work with States to improve the welfare system to make sure that a safety net is there for those who need it but is denied to those who abuse it.

Mr. SMITH. Mr. President, I rise in support of H.R. 4, the landmark welfare reform legislation that the Senate will be adopting this afternoon.

Mr. President, I call H.R. 4 landmark legislation first and foremost because it ends the 60–year status of welfare as a cash entitlement program. Once this bill becomes law, no person will be able to choose welfare as a way of life. Likewise, no person will be entitled to cash benefits from the Federal Government simply because he or she chooses not to work.

By dramatically cutting the Federal welfare bureaucracy and providing welfare block grants for the States, H.R. 4 recognizes that the best hope for making welfare programs successful lies in shifting major responsibility for their administration to a level of government where innovation and experimentation can flourish. That is a significant step toward reinvigorating federalism in our system of government.

H.R. 4 transforms welfare from a handout that fosters dependency into a temporary helping hand for those who fall on hard times. The bill places a 5–year lifetime limit on receiving welfare benefits. Individuals will be permitted to move on and off of the welfare rolls, but will, after a cumulative total of 5 years, become ineligible for additional benefits.

In return for Government's temporary helping hand, H.R. 4 requires that welfare recipients work for their benefits as soon as their States determine that they are ''work ready.'' If a recipient refuses to report for work, then a pro rata—or greater—reduction in benefits is imposed. In fact, the States may terminate benefits for such recipients if they so choose.

Although I supported amendments to the bill that would have taken stronger steps to reduce the Nation's escalating out-of-wedlock birth rate, H.R. 4 does address that crisis in several very important ways. Most important, the legislation requires that minor mothers who have children out-of-wedlock must stay in school and live under adult supervision in order to receive welfare benefits. In doing so, the bill removes the perverse incentive under current law for a young girl to become pregnant and have a baby in order to receive a welfare check and thus become financially independent of her parents.

Moreover, Mr. President, H.R. 4 permits the States to refuse to give more cash benefits to mothers who have additional children while on welfare. Finally, H.R. 4 provides $75 million to encourage the States to establish abstinence education programs designed to reduce out-of-wedlock births and encourage personal responsibility.

I am also pleased, Mr. President, that H.R. 4 takes a number of steps toward ending the abuse of the welfare system by those legal immigrants who come to America not to go to work, but to go on welfare. H.R. 4 does this by giving the States the option to deny welfare benefits to noncitizens.

Equally important, Mr. President, H.R. 4 requires that, for most means-tested welfare programs, both the income and the assets of a legal immigrant's sponsor are deemed to be those of the noncitizen for a period of 5 years. This ''deeming'' provision is designed to prevent noncitizens from going on welfare. This is good public policy. Noncitizens, after all, remain, by definition, citizens of other countries. If they come to the United States and fall on hard times, they can, quite simply, go home. They should not, in all fairness, expect to be supported by Americans who are not their fellow citizens.

In summary, Mr. President, I commend those among my colleagues in the Senate who have worked long and hard to make this a strong welfare reform bill. I am pleased to support it. I look forward to supporting an even stronger bill when it comes back from the conference committee.

Thank you, Mr. President. I yield the floor.

Mr. BIDEN. Mr. President, this is not the best welfare reform bill that Congress could pass. And, this is not how I would have designed a welfare reform bill. There are, in my view, still some problems with it.

But, I cannot ignore why we are here today. Democrats and Republicans sat down together and came up with a bipartisan compromise.

That is what the American people sent us here to do. Not to bicker. Not to fight. Yes, to have honest disagreements. But, in the end, to sit down and

work out our differences. That is exactly what happened here on welfare reform.

The result of us working together is a dramatically better bill than when we started. Not perfect. But, much, much better. And, it is far superior to the bill passed by the House of Representatives earlier this year.

The welfare bill before us today stresses that welfare recipients work for their benefits—and many will be required to do so.

It limits the amount of time that individuals can spend on welfare—so that welfare is no longer a way of life.

It takes a significant step toward ensuring that innocent children are protected—by providing safe day care while their mothers are working.

And it toughens the child support enforcement laws—so that everyone knows that when they bring a child into this world, they have a responsibility for that child.

These are the general principles that I have previously outlined as the major components that must be included in any welfare reform bill. And, the requirement that welfare recipients work for their benefits is a proposition that I have advocated since 1987.

Nevertheless, as I said a moment ago, this bill is not perfect. The details are not as good as I believe they could—or should—be.

I believe we could have had a bill that was both more compassionate to the children—by ensuring that they are taken care of even if their parents are kicked off of welfare—and also more demanding of the parents—through even stricter work provisions.

And, I still have concerns about the whole concept of block grants to States.

But, as Senator MOYNIHAN stated long ago, we should not let the best be the enemy of the good. This is not the best bill, but it is a better bill. And, I dare say that after the bipartisan agreement, it is a pretty good bill.

Mr. President, I cannot turn my back on the significant improvements that have been made in this proposal. And I cannot turn my back on the good faith bipartisan effort at reforming our welfare system.

So, I will—despite my continued reservations about some aspects of the legislation—vote for this welfare reform bill.

I only hope that this delicate compromise—and not the draconian House bill—is accepted when the bill goes to conference.

Mr. FEINGOLD. Mr. President, I will vote for passage of the welfare reform bill that has been crafted over the past several weeks.

I do so, however, with trepidation over where this reform may lead.

The Senator from New York [Mr. MOYNIHAN] has spoken eloquently on many occasions about the potential consequences of ending over 60 years of Federal commitment to the welfare of children who through no fault of their own have either been born into a life of poverty, or who have fallen into poverty because of family misfortune.

I will vote for this bill because the current system is badly broken, and we must find an alternative to the status quo.

No one likes the current system, least of all the families trapped in an endless cycle of dependency, poverty, and despair. We must change the system and I see this bill as the most moderate measure likely to move forward in the current climate.

The basic premise of this bill rests upon the notion that the current system has failed and that we ought to allow the States the opportunity to try to do a better job, with as much flexibility as possible. This approach places a great deal of faith in the good will of State governments to implement programs designed to help, not punish, needy citizens.

As a former State legislator, I have a good deal of respect for State governments. I am not convinced that the Federal Government always knows best how to handle every problem. Certainly, there are areas—like civil rights—which are national in dimension, which require a consistent, bedrock level of Federal involvement to insure that rights derived from our national constitution are fully protected. But I am not convinced that social policy, welfare policy in particular, must always be controlled from Washington.

I recognize that part of my willingness to try this approach of greater State control is based upon the fact that I come from a State, Wisconsin, which has long been a laboratory for progressive social policy and demonstration programs. I have said on the Senate floor that much of what Wisconsin has tried to do through direct investment in job training programs for welfare recipients makes sense and is designed to help people join the workforce. Some of the policies, like Learnfare and Bridefare, I have voted against because there is little evidence to show that they will have any real impact on helping people move off welfare and into the work force. I have voted against mandatory family caps for the same reason.

Mr. President, I want to reiterate that this is not the kind of bill I would draft if I were the author.

I think it falls far short of what is needed in the areas of child care, job training, and services that will help families become self-sufficient.

Mr. President, the changes made in the bill through the bipartisan leadership amendment make this a more desirable bill than the one we began debating several weeks ago.

This amendment will provide an additional $3 billion for child care services. It includes a maintenance of effort that will require States to spend at least 80 percent of their 1994 level of State funding in order to receive the block grant. Without such a maintenance of effort requirement, Federal dollars would simply replace state contributions, and States like Wisconsin which make a substantial contribution to investing in welfare programs would have simply seen their dollars shifted to States which lack such investments.

The amendment contains a contingency grant fund to help States which run out of money under the block grant because of higher unemployment rates. It provides that up to 20 percent of recipients can be exempted from the 5-year time limitation for welfare assistance—a provision that will allow some flexibility in a provision which might otherwise cause untold hardships. The inclusion of each of these provisions has been critical to my decision to support this bill.

At the same time, the bill still falls far short of what I think needs to be done to achieve real, meaningful change. I believe that the States will be back here within a few short years asking for more Federal dollars to get the job done.

I am also deeply concerned about the provisions of the bill that remove the guaranteed Federal safety net for young children, replacing that 60-year Federal commitment with a system of State block grants which will create a patchwork quilt across this Nation to replace the current Federal commitment.

Many States will continue to provide protections for these children and will work hard to help families move from welfare into the work force. The Senate wisely rejected several efforts to impose the punitive-type provisions contained in the version of welfare reform passed by the other body.

But there will be some States which will exercise the punitive options available under this bill and will opt to impose harsh requirements upon needy families.

These provisions and the lack of national protections for children, wherever they may live, are deeply troubling to me.

But we cannot continue the current system. I am hopeful that many of the States will enact innovative programs, like the New Hope program in Milwaukee, WI, that will provide real opportunities for welfare recipients to become economically self-sufficient members of the work force.

This bill will give the States the opportunity to demonstrate whether they are willing to make the kinds of investments that will promote this self-sufficiency, rather than serve simply to punish those who fall through the system.

As I said at the outset, I am voting for this bill because I am not convinced that welfare policy can only be made in Washington, DC. I think the problems of welfare policy are so complex and difficult that it is a mistake to believe that there is only one approach. This bill will encourage State experimentation which may well lead to better policy development over the long period.

I believe that the vote being cast today is either for or against the status quo, and I do not support the status quo.

Although I will vote for the Senate bill, I want to make it very clear that I will not support a conference report that contains the kinds of punitive, harsh measures contained in the welfare reform bill proposed by the other body. I hope that the bill that emerges from conference will reflect the moderate efforts that went into the Senate bill.

Mr. BINGAMAN. Mr. President, in my home State of New Mexico and across the country, agreement is virtually unanimous: it is time to reform our Nation's welfare system.

The current system is not working as well or as efficiently as it could. The many State waivers already approved by the Secretary of Health and Human Services are compelling evidence that the current system is incapable of meeting the wide variety of differing needs across our country.

We need a system that is less costly; more efficient; and truly capable of moving people permanently from welfare to work. Most important, we need a system that gives States the flexibility they need to fund and operate programs specifically tailored to meet the needs of their citizens.

But as we move toward reform, we must do so carefully and thoughtfully. We need to fully understand the ramifications of our actions, and we need clear, measurable goals.

As we prepare to vote on final passage of welfare reform legislation, I would like to take a few moments to talk about effective goals and objectives for reform and to discuss how the majority leader's Work Opportunity Act and the Democratic Leader's Work First Act meet these goals. I would also like to discuss three critical differences in the two bills and the effect of these differences on my home State of New Mexico.

Recently, I read a book on homelessness in America, ''The Visible Poor'' by Joseph Blau. One of the statistics in the book that made a significant impression on me was that something like one-third of all the homeless people in this country are working Americans.

These Americans are doing everything we ask, and they still do not have the resources to afford basic housing.

Joseph Blau attributes this phenomena to several factors. One is the sorry state of our economy, and the fact that the minimum wage is not really a living wage in this country.

Many Americans are facing a declining standard of living. This has the obvious effect of forcing people to allocate a larger percentage of their income to the basic necessities; and when all of their income is not enough, to relinquish adequate housing in favor of food.

The declining standard of living in America also has the effect of exerting downward pressure on our social safety net.

I think all of us agree with the principle that work has to be rewarded. Working should pay more than not working.

For most of American history, when our living standards were on the rise, this philosophy did not conflict with ensuring that everyone in this Nation had the basic necessities of life. It was quite possible to help some people in need to obtain food, housing, and clothing without violating the premise that those who were working should have a better life. We did not create the perfect social safety net, but we did the best we could to ensure that the poorest among us—especially children, who are the most vulnerable members of any society—had the basics of life.

Today, however, when our economic living standard is in decline, some think the way to ensure that working pays more than not working is to take away from those who are not in the system.

In other words, the argument is that if our Nation is confronted with a situation where a person can work and still not be able to afford a place to sleep, then to correct this problem, we need to remove any benefits that would have enabled those outside the employment system to have a place to sleep.

Rather than making sure that those who work have a standard of living we can be proud of, we find ourselves taking away from the most vulnerable in society to make sure that those who work at least can find someone worse off in this Nation.

I believe a saner approach is to make sure that everyone who works for a living in this Nation gets a decent living. This approach ensures that everyone who can work has the right incentives to do so, and that we do not have to literally take food and shelter from children to ensure that those who work are receiving more than those who do not.

I hope that in the future, the Senate will engage on a debate on how to raise the rewards of working, through increasing the minimum wage, keeping the earned income tax credit, improving job training, and creating a national strategy on competitiveness. That would be an excellent policy debate.

In the meantime, however, it appears that we must first fight to ensure that we do not force more people who are on public assistance to the streets so that to work becomes relatively attractive.

I believe the scope of the compromise amendment worked out by the Democratic and Republican leadership is limited to this basic issue. The agreement should not be characterized as a significant step forward in the effort to reform and improve our Nation's welfare system.

The agreement simply will help prevent us from taking too many steps backward.

The compromise we are voting on today will enable States to get more unemployed parents into the work force because it will help make affordable child care more accessible for some. Not all families in need will be covered under the compromise, but a number parents in each State will be able to move from welfare to work.

If the Senate votes today to reject the compromise amendment, in favor of the majority leader's bill, there is no question but that a substantial number of families, a growing percentage of the homeless already, will be forced onto the streets.

If we vote to accept the compromise amendment, we will lessen the blow to some, but not all, of these families. Throughout the welfare reform debate, I have been concerned about the effect of a massive overhaul of our public assistance programs on these families, and the working Americans who are hanging on to the economic ladder just one rung above them.

I am not saying that change is not needed. Some change is clearly needed. But in making changes, the Congress and the American people need to be aware of the degree to which these issues and programs are interconnected.

We need to understand the ripple effect of changing one, or two, or three Federal programs. If one nutrition program is eliminated or consolidated, are more working Americans going to have to make a choice between food and housing?

Of particular concern to me is the ripple effect in New Mexico: What does block-granting vital domestic programs mean to New Mexico's children?

What does it mean to New Mexico's poor working families who can just barely make ends meet today?

How are we going to guarantee that the basic needs of New Mexico's poor working families are met?

How are we going to guarantee that poor, rural States like New Mexico are not left with disproportionate and unmanageable financial and administrative burdens?

In seeking answers to these and other questions, I have reached the conclusion that the chief goals of welfare reform should be to create a system that encourages—and demands—personal responsibility and that helps people become self-sufficient, productive members of our society and workforce.

To reach these goal, I believe we need a system focussed on education and on building the skills they will need to compete in the global marketplace of the 21st century. Four key components of an education-oriented system are: First, a strong public education system that includes training for adults, and, in particular, parents; second, affordable, accessible child care; third, affordable, accessible primary and preventive health care, including nutrition programs such as child care food assistance, and school lunch and breakfast programs; and fourth, real opportunities to earn a wage that allows working families to maintain a decent standard of living.

I do not believe the Republican leadership's Work Opportunity Act will help us reach these goals. In fact, I believe the block grants contained in the Republican bill take us in the wrong direction and lead us away from our goals.

Reducing essential funding and lumping many important social service programs into a few omnibus block grants, without any assurance of accountability or continuity among the states simply is not be the best way to reach our goals.

Instead, we in the Congress need to work together with three objectives in mind: First, to enact well-considered, effective, and fair legislation where needed; second, to consolidate, coordinate, or eliminate duplicative or outdated programs; and third, to support and improve those Federal programs with proven track records of success, such as child care programs, the school lunch program, and the child care nutrition program.

In my view, these three objectives are at the core of the Democratic leader's Work First welfare reform plan, which I am pleased to cosponsor.

The Work First plan recognizes the need for a Federal partnership role in helping States and individuals gain the tools and skills—education, effective job training, and child care—they need to become productive, contributing members of society. The Republican bill does not.

The Democratic and Republican plans differ significantly in three key areas: First, commitment to work; second, commitment to child care; and third, commitment to States and American families in general.

The top priority of the Democratic leader's plan is to move people from welfare to work. In fact, under the plan, welfare recipients must either go to work or enroll in school or job training within 6 months or sooner. To help meet these stringent work requirements, the Democratic bill helps States fund the education and training programs they will need. States will submit detailed plans for program implementation, so progress toward goals can be measured, but the states will have a great deal of flexibility in designing programs.

The majority leader's Work Opportunity Act also sets up work requirements, but it does not fund them. Instead, the bill shifts AFDC, Emergency Assistance, and transitional and at-risk child care into a single block grant to the States; then it freezes the annual funding for the total block grant at the fiscal year 1994 level—$16.7 billion—for the next few years.

If the Senate leadership's compromise is adopted, and additional $3 billion in funding for work-related child care, above the fiscal year 1994 level, will be available over the next 5 years.

Because the work requirements under the Republican plan are mandatory, many believe the bill essentially amounts to an unfunded mandate of more than $23 billion over 7 years.

In my home State of New Mexico, the unfunded work mandate totals $161 million over 7 years.

As I understand it, the compromise agreement addresses a portion of the burden of this State mandate by allowing States, at their option, to require that single parents with children age 5 and under work 20 hours per week, as opposed to 35 hours under Senator Dole's bill.

A key difference in the two bills, which is addressed in the compromise, involves child care. Both the Democratic bill and the compromise recognize that the No. 1 barrier to work for most parents is lack of child care.

The Democratic bill would ensure that child care is available for all welfare recipients who are working. The Senate leadership's compromise would help ensure that child care is available for many welfare recipients who are working.

In my view, this is a key difference between the Republican and Democratic bills—under the Dole plan, child care is not required or ensured. Existing Federal programs are simply lumped into an omnibus block grant to the States.

Under the Democratic bill, access to child care is real. No parent will be able to use inability to find child care as an excuse for not finding work. Under the compromise, child care is not guaranteed, but it is more likely to be available. In addition to the overall increase in funding, $3 billion over 5 years, the compromise stipulates that funding will be distributed at the Medicaid match rate to those States that agree to maintain funding for at-risk child care programs.

Despite the improvements that the leadership compromise would make to the majority leader's legislation, the Democratic and Republican proposals remain dramatically different in their fundamental commitment to the States and American families. The foundation of the democratic plan is an individual entitlement to American children and families. The foundation of the Republican plan—and the Senate leadership's compromise—is a block grant to the State.

Why is this distinction important, particularly in light of the increased funding under the compromise?

It is important, especially to poor families and poor States, because an individual entitlement is an unbreakable promise made by the Federal Government to its States and its citizens that in times of need, assistance will be there.

Now, I want to make clear: this is not unconditional assistance. This is not a give away. Always, assistance will be contingent on certain requirements, such as job training, completing school, or seeking employment.

Consistent with the Democratic bill's focus on work, the entitlement has a 5-year time limit, with exceptions for children. In addition, it is dependent on the signing of a parent empowerment contract, stating a participant's commitment to finding a job. No aid is provided unless a contract is signed, and penalties will be applied to those who violate the terms of their contract.

On the other hand, the majority leader's plan and the leadership compromise are based on block grants. These are fixed amounts of money given to the States with little or no requirement for accountability, either to taxpayers or the State's citizens, and with no assurance of continuity among State programs unless amendments offered and accepted during the floor debate are retained in conference.

The real problem is that the block grant may or may not be sufficient in times of need. When a State runs out of money, it runs out of money. Help simply will not be available to eligible, needy children and their families unless State and local taxpayers pick up the tab.

To help alleviate this situation, the compromise includes a $1 billion contingency grant fund, which States could use—so long as they meet certain matching requirements—in fiscal emergencies.

According to the information and statistics I have, my home State of New Mexico could be one of the first to apply for such a grant.

Under the Republican leadership's plan, an additional 14,400 jobs for welfare recipients would be needed in New Mexico by 2000, or the State would be assessed a 5 percent penalty in reduced Federal funding. Now, 14,400 new jobs may not sound like a high figure when compared to States like Texas or California, which must add more than 116,000 and 358,000 jobs to their economies respectively. But in a poor, rural State like New Mexico, 14,400 new jobs is a significant number—it represents a required increase in the State's current welfare-related work participation rate of 123 percent. And it represents an increased cost to the State of $13 million in fiscal year 2000 alone.

Directly tied to the increased work requirements are increases in the number of families needing child care.

In fiscal year 1994, about 2,970 children in New Mexico received AFDC/JOBS-related child care. Based on the Republican plan's work requirements, the number of children needing AFDC/JOBS-related care would grow to at least 4,720 by 2000. This represents an increase of 159 percent, and an increased cost of at least $23 million in fiscal year 2000.

Yet, the Republican plan does not provide any additional funding to cover the child care needs of these families. As a portion of the new temporary assistance block grant, the plan freezes funding for AFDC/JOBS child care at the fiscal year 1994 level.

The Senate leadership's compromise is only slightly better. It would make an additional $3 billion available over the next 5 years. When the additional

funding is divided between the 50 States and spread over 5 years, the significance of the compromise tends to diminish. Fortunately from New Mexico's perspective, this additional funding would be drawn down by the States at the Medicaid match rate.

Mr. President, let me just review the costs to New Mexico of the increased work requirements and related child care expenses. Estimates are that by 2000, New Mexico would have to spend: $13 million more for work-related operating costs, $23 million more in child care costs. In total, from fiscal year 1996 to fiscal year 2000, $115 million increase.

These two costs represents 40 percent of New Mexico's total block grant, leaving only 60 percent to cover cash assistance and other programs. If this is insufficient, as it would be if benefit levels remained where they are today, the State will have no option but to greatly reduce benefits, deny eligibility to many families, or spend much more than it does today in State funds.

Based on current law projections, by 2005, 72,000 New Mexican children would be eligible for AFDC benefits. Under the Republican plan, which would strip parents—and their children—of all AFDC benefits after 60 months, 19,000 children—or 26 percent of all recipients—in New Mexico would be denied benefits.

Further, the State could decide to maximize its Federal funds by implementing various penalties available as options under the Republican plan. Each penalty denies more children benefits:

Children denied family cap: 12,000 if the family cap is added back in conference.

Children denied birth to unwed teen: 320.

Children denied family benefits for 24 months: 36,673.

Today, we are debating the wisdom of block granting essential safety net programs. The block grants would be authorized for the fiscal years 1996 to 2000. Because we cannot project with certainty the economic and employment situations of each State in future years, or whether migration among States will be more or less significant than it is today, or a variety of other factors, we cannot precisely project the actual degree of harm one State may endure under a fixed formula for block grants.

Mr. President, earlier in my remarks I said it was critical that we in the Senate work together, in a bipartisan matter, to enact real, goal-oriented welfare reform. I believe the compromise amendment worked out by the Senate leadership represents a step—albeit a small step—in that direction.

I will support the compromise, and despite some serious misgivings, I will vote to pass the underlying bill. However, I remain deeply concerned that in the rush to cut spending and send a message to the American people, the very people who need our compassion and assistance the most—vulnerable children and their families—could be the most gravely hurt.

In closing, I urge my colleagues who will take this bill to conference with the House to approach their deliberations carefully and thoughtfully.

Without question, we need to better coordinate our public assistance programs; we need to streamline many of them; but we cannot do so in a way that threatens the health and well-being of New Mexico's—or any State's—children and their families.

Mr. DORGAN. Mr. President, I intend to support this welfare reform bill and advance it to a conference with the U.S. House of Representatives. I do so even though I have some real problems with some provisions. Despite my concerns, I think it is important to move this legislation forward.

Mr. President, there is broad consensus in this country that the current welfare system serves no one well—not the recipients, not their children, not the American taxpayer. It fails both the people who need help and the working people who are paying for it. It has trapped all too many people, especially women, into a lifetime of dependency instead of helping them on a temporary basis to get on their feet and into the labor force. Sadly, the children of long-term welfare recipients all too often suffer irreparable harm and are likely to remain poor and disadvantaged for the rest of their lives.

Mr. President, the American people want us to overhaul a system which they perceive to be one that encourages dependency rather than one which encourages work. They see the current system as inefficient, unproductive, and a waste of their hard-earned tax dollars. They want a system that demands responsibility and accountability—a system where able-bodied individuals are required to work for their benefits. That is why we are here today.

But the American people are also compassionate. They do not want innocent children punished for the behavior of their parents. They expect us to protect poor and vulnerable children. And that is the most serious flaw in the legislation before us—innocent children are not guaranteed protection. The bill before us today does not guarantee that the children of parents who violate the rules or are removed from the rolls because of they have exceeded the time limits for benefits are protected.

I think we have a moral responsibility for these children. They ought not to be punished for the mistakes of their parents. There ought to be a safety net in this bill to ensure their protection. There is not. If this egregious hole in the social safety net is not remedied by the conference committee, I will have great difficulty supporting the final package. I am not willing to gamble with the life of one child in welfare reform.

Despite my very serious concerns about the impact this legislation will have on innocent children, the bill we are considering today is a vast improvement over the bill that emerged from the Finance Committee this spring. With bipartisan support, a number of the most serious flaws in the original legislation were corrected.

Nevertheless, I remain concerned about the block grant, no-strings-attached approach to welfare reform. I am especially concerned that the block grant funding levels are frozen for a 5-year period. In my view, that is a dangerous experiment. And it is an experiment that could impact the lives of 10 million children.

If a cash assistance welfare block grant had been enacted in fiscal year 1990, an historical analysis by the Department of Health and Human Services concludes that States would have received 29 percent less funding in fiscal year 1994 than they would have received under current law? If States do not have enough money to meet needs, what do we expect them to do? Surely, they will not raise taxes. What they will be inclined to do is establish more stringent eligibility criteria and reduce benefit levels to make ends meet. And who could suffer? Poor and vulnerable kids.

So let me repeat. I have serious reservations about the block grant concept. But a majority of Members of Congress seem to like the idea, and most governors relish it. We will not know the results of this block grant experiment for a number of years. Only then will be know for certain if it has been a wise or foolish undertaking.

Every expert agrees that lack of adequate child care is the No. 1 barrier in moving individuals from welfare to work. It is the linchpin for successful welfare reform. Yet, as originally proposed, not 1 dollar of the block grant was earmarked for child care. Under the compromise offered by Senators DOLE and DASCHLE, $5 billion of the block grant was earmarked for child care and an additional $3 billion was added to that pot. While the $8 billion funding level is still well short of the estimated need, it is a step in the right direction. Without this commitment to child care, the welfare reform effort was doomed to failure. If the final package does not contain this commitment to child care, I simply cannot support it.

Other modifications to the original Republican proposal were important to garnering my vote in support of this measure. First, mothers with children under age one will not be forced to go to work to receive benefits. Second, single mothers with children under age 5 will be exempt from the 5 year time limit if no child care is available. In other words, the 5-year clock will not begin ticking for these mothers if States do not make child care available to them. This makes eminent good sense. The last thing we should want to do is create a situation where young children will be left home alone. That is irresponsible. And that was exactly

the scenario we were creating under the original proposal.

Finally, States will be given the option of not requiring single mothers with children under age 5 from working more than 20 hours a week. Giving mothers the ability to stay at home and nurture their children during the most formative years is the right thing to do.

These three improvements were crucial components in my decision to support this bill, and they must be retained in conference or I intend to oppose the final measure.

Shortly before final passage, the Senate finally agreed to include a maintenance of effort provision. As originally crafted, this bill did not require states to contribute one red cent of their own money for welfare reform. Under current law, states contributions constitute about 45 percent of total welfare expenditures. Think about that. Without a maintenance of effort provision, the pot of welfare money could have been reduced by almost half overnight. That was unconscionable in my view. Welfare has always been a State-Federal partnership. That partnership should be retained. The compromise agreement requires States to contribute at least 80 percent of the money they spent on welfare in 1994 in order to be eligible for their block grant money. While I would have preferred a 100 percent requirement, I can live with this percentage. This State maintenance of effort requirement must be retained by the conference committee. It is the right and fair thing to do.

Lastly, Mr. President, the compromise included a provision to address the crisis of teen pregnancy. Seventy percent of teen mothers are not married, and that percentage has escalated each year for the past two decades. If we do not get a handle on this problem, all our good efforts for welfare reform could prove to be in vain.

Too many unmarried teens are becoming parents, and too few are able to responsibly care for their children either emotionally or financially. The result: the child is deprived of a fair start in life, and the mother will very likely be doomed to a lifetime of poverty. No welfare reform effort can succeed without addressing this problem.

The compromise that was agreed to last week included a provision on teen pregnancy that was part of the Democratic plan. It is a good provision. It will establish second chance homes where unmarried teen parents can live in adult-supervised homes where they will receive the support and guidance they need to finish school and become successful parents and productive citizens. This provision ought to be enthusiastically embraced by the conference committee.

Mr. President, the original Republican plan for welfare reform has been significantly improved with the adoption of some very important bipartisan amendments. I commend the leadership of both parties for working together to make these changes. And I hope the bill will be further improved by the conference committee. If the final bill does not guarantee that innocent children are protected, however, I will have great difficulty in supporting it.

Mr. GRAHAM. Today, we will vote on final passage of S. 1120, the so-called Work Opportunity Act of 1995, better known as welfare reform.

During the robust Senate debate on welfare reform, I have been a critic and a skeptic about the fundamental fairness and the workability of the legislation advanced by our majority leader, Senator DOLE.

I have also watched this bill improve with time, and I remain hopeful that progress will continue through the conference process.

I remain hopeful because I have an abiding, underlying interest in achieving genuine welfare reform because I know the current system does not work.

The incentives in the current system are in all of the wrong places and trap individuals into welfare dependency. For so many Floridians on welfare, it pays to stay there instead of to work.

Why? Because without day care you can not train to get a job that pays a living wage. Without transitional, subsidized day care it is difficult to make ends meet when you first go back to work. And, finally, without some form of health insurance, a sick child in the house, is reason enough to stay at home and to stay on welfare.

That is the failed system that we have today in America. That is what we seek to discard today.

But we must make sure that the new system we are contemplating today is not a patchwork of slogans and wishful thinking, but instead a meaningful attempt to provide temporary assistance to families in need until they can return to the work force quickly.

Mr. President, you cannot just wish away the children on welfare while you deal with the adults who receive the welfare checks.

We must remind ourselves that children comprise almost 70 percent of the number of welfare beneficiaries. It is for the children that the old system was built, and in so many cases that system has failed them.

As we construct a new system, we must look at the real needs of the children: quality and available child care is a critical need.

I spoke earlier of the recent efforts which have been made to improve S. 1120. I would be remiss if I did not commend the leadership on both sides of the aisle, and also Senator DODD who helped lead the charge, for the improvements in the child care provisions from the original bill.

The additional $3 billion in funds for child care represents meaningful progress in the movement toward true welfare reform.

We know very well from our experiences in Florida that you can not get a mother back to work if her children have no place to go during the work day.

The old system forced a woman to choose between her children and work, and an enhanced Federal investment in subsidized child care can allow her to address both concerns. That is what the $3 billion Federal investment is intended to buy.

But before we celebrate these advances in the funding levels for child care, we need to look at the cold realities facing the families who comprise the so-called working poor.

Today in Florida, there is a waiting list of 25,000 children who are seeking subsidized day care. This number is not even representative of the actual unmet need when those who do not bother to add their names to this gargantuan list are considered.

Because Florida has taken steps the last several years to invest more dollars into its child care system, the amount of Federal dollars that will go to Florida due to the additional $3 billion in this bill, will barely maintain Florida where it is today.

This new money will actually only assist Florida to the point that it does not have to cut back on its subsidized day care program. Today Florida is investing in child care well beyond the 1994 spending base upon which S. 1120 is predicated.

Further, I think every Member of the Senate should pause and contemplate the effect the new work requirements will have on the availability of subsidized child care for the working poor.

In Florida, of the total child care pie, about half of it goes to the children of the working poor, primarily through the child care development block grant and the social services block grant programs.

S. 1120 imposes a requirement that 25 percent of all welfare recipients must be working in the first year, and 50 percent by the year 2000. Therefore, the States will be under extreme pressure to move all eligible welfare families to the front of the line for day care, at the expense of the working poor families presently enrolled.

The numbers speak for themselves, and currently Florida is barely half way toward that goal of 25 percent employment.

As the conferees wrestle with the issues of maintenance of effort, work requirements and State flexibility, they need to focus on this important child care trade-off.

This is not the time for shell games, moving some people off welfare and into work, while forcing others on welfare because we have withdrawn child care help from them. For a working poor family trying to make ends meet, the approximately $300 a month per child in day care in Florida can be a budget buster.

Mr. President, I want welfare reform. The people of Florida want welfare reform. The people of America want welfare reform.

For that reason, I am voting for this bill, with reservations. I am voting for this bill to keep this legislative process alive, with the hope that the bill will be improved when we vote on the conference report.

I would rather support this bill and keep this process moving, than vote no and kill any chance of welfare reform this year.

With that premise stated, I want to outline two key reservations about this bill:

First, The fundamental inequity of distributing resources under the proposed block grants to States.

Under this legislation, we would divide Federal resources based on spending patterns in 1994. This arbitrary method would lock in current inequities, would disadvantage growth States, would be difficult to change once its in place, and would set a troubling precedent for our upcoming decisions on Medicaid.

In the past, the Federal welfare allocation to States has varied from State to State due to the local match incentive. If a State put more funds into the welfare system, it got more funds from Washington.

By using 1994 as the baseline for future allocations, we would perpetuate wide disparities among States. On a per-child basis, some States would receive five or six times the amount received by less-affluent States.

These stark disparities raise fundamental questions of fairness which I am hopeful the conference committee will address.

Second, My second reservation about this bill deals with its unfair treatment of legal immigrants.

Mr. President, most people of this Nation trace their heritage to somewhere else. My family came here from Scotland.

This Nation has benefited from a long tradition of legal immigration. Let me repeat: Legal immigration.

We set out rules and expectations for legal immigrants to become citizens. Under this bill, we are saying to legal immigrants who have followed the rules that we are going to change the rules, retroactively, on their way to citizenship.

Again, this raises fundamental questions of fairness.

Denying benefits to legal immigrants would unfairly impact certain communities in this Nation that have attracted a large number of newcomers.

I will leave for another day the discussion over how Florida currently picks up the Federal tab for illegal immigration, to the tune of hundreds of millions of dollars each year.

Permit me to focus on the dollars that are spent today for legal immigrants. In Florida in November, 1994, there were 34,224 legal immigrants on the welfare rolls, and 149,732 on the food stamp rolls. The estimated annual costs associated with these groups are $39 million and $133.5 million, respectively. In addition, Medicaid costs for legal immigrants in Florida in 1994 was greater than either AFDC or food stamps.

This represents a substantial sum of money which Florida spends and which Florida might be asked to absorb under certain versions of this welfare reform legislation.

This is a significant issue which must be addressed in conference.

Furthermore, changing the rules for legal immigrants would be unfair to the newest Americans. I am particularly concerned about access to education.

One of the great principles of America, that has bound us together as a diverse people and provided a foundation for the American Dream, is access to education.

I implore my colleagues to consider the impact of this legislation on students. At Miami-Dade Community College, an estimated 8,000 students could lose financial aid.

Is that the type of message we want to send to tomorrow's citizens, that the door to education is closed to you in the name of welfare reform?

I am hopeful that the House-Senate conference can work to remedy this inequity in the overall bill. In part, I base my hope on public comments made by Majority Leader Bob DOLE, who visited Florida last weekend.

Senator DOLE said he would prefer more flexibility on the issue of providing benefits to legal immigrants.

The Gainesville Sun, on Sunday September 17, reported Senator DOLE's views as follows:

> Dole later said he supported giving some benefits to legal immigrants and said the amendment would be reviewed when the welfare package goes to conference committee.

I am pleased that the majority leader has not closed the door on changes to the portion of this bill that deals with treatment of legal immigrants.

I look forward to reviewing the product of the conference committee with the hope that my concerns about fairness will be addressed.

Mr. GRAMS. Mr. President, I rise to commend my colleagues for the honest debate which has produced the legislation we will vote on later today . . . legislation which takes a solid step toward fixing our badly broken welfare system. Both sides have put forth credible arguments, and more often than not we've been able to work together to find common ground.

Yes, we may disagree on many of the details of this compromise legislation . . . but we all agree that the welfare system is in desperate need of an immediate overhaul.

These facts are clear and indisputable: today, one American child in seven is being raised on welfare . . . one in three children is now born out of wedlock. And despite the $5.4 trillion taxpayer dollars we have funneled into the welfare system over the last 30 years, the poverty level has remained nearly the same.

Three years ago, during his presidential campaign, President Clinton promised the American people that he would ''end welfare as we know it.'' Since then, however—even though his party controlled both the House and Senate—the welfare system remained untouched. Today, less than one year after Republicans gained control of both Chambers, we are on the verge of passing legislation to dramatically reform a welfare system which has too often entrapped both welfare recipients . . . and the taxpayers who subsidize them.

At the heart of our legislation is the strong message from this Senate that the days of welfare without work are over.

The American taxpayers are fed up, Mr. President. They go to work every day—both spouses, more often than not—and struggle to make ends meet while trying to carve out a better life for themselves and their families. They make a combined average income of $47,000 . . . but hand over more than a third of that to the Federal Government. And when they see those precious tax dollars going to support welfare recipients who simply refuse to work . . . well, they have every right to be furious.

The taxpayers of this country have always been generous . . . but nobody likes to be taken for a fool.

The ''pay for performance'' provisions of this welfare reform legislation offered by myself and Senator SHELBY are intended to put accountability into the system. If a welfare recipient wants a federal check, all we ask is that they start making a contribution to society . . . to their own future . . . by working for that money.

It is hardly a revolutionary concept. Every taxpayer in the Nation does the very same thing.

I am proud that this bill incorporates a second amendment of mine to further strengthen its work requirements. This amendment permits states—for the purpose of meeting their work participation rate—to count no more than 25% of their welfare caseload as ''working'' if they are enrolled in vocational education.

Without my amendment, the work requirements in this bill could be circumvented by substituting vocational education for actual time spent on the job. It is already happening in many states, where officials are avoiding the work requirements of the 1988 ''Family Self-Sufficiency Act'' by counting voced programs as work.

Let me make this clear, Mr. President—work does not mean sitting in a classroom. Work means work.

Any farm kid who rises before dawn for the daily chores can tell you that. Ask any of my brothers and sisters what ''work'' meant on our family's dairy farm. It didn't mean sitting on a stool in the barn, reading a book about how to milk a cow. ''Work'' meant milking cows.

Now, I am not opposed to vocational education. Not every voc-ed program can be considered a success, but we are

fortunate to have a number of effective programs operating in Minnesota . . . and we need to continue to give these kinds of efforts a chance.

But my neighbors back home are tired of sending other people's kids through school. They are struggling to send their own children to school. They want this government to reflect their values—hard work, respect, personal responsibility, and accountability.

It sometimes seems that the work ethic upon which this Nation was founded has gotten a little dusty. For example, experts say that less than one percent of the adults who receive welfare benefits are currently engaged in real work. That is a sharp departure from the past: during the Great Depression, welfare beneficiaries were expected to work for the assistance they received through federal programs such as the Civilian Conservation Corp and the Work Progress Administration.

What has changed?

Mr. President, the government has become the first call for help. But what we too often forget is that the government is funded by other people's money . . . and should be the last call for help.

One leading welfare expert sums it up quite clearly: ''In welfare, as in most other things, you get what you pay for. By undermining the work ethic, the welfare system generates its own clientele. The more that is spent, the more people in apparent need of aid who appear.''

What is most troubling of all is that because there are no incentives to move themselves off welfare and into the workforce, too many welfare mothers and fathers have given up the search for that better life. And the taxpayers who foot the bill feel powerless, too.

Mr. President, if we ever want welfare recipients to become self-sufficient, we must begin holding them to the same standards that apply to the taxpayers. How can we ever expect welfare beneficiaries to lift themselves up if we continue to ask less of them than we do of every other productive, taxpaying American citizen?

By allowing states to count 25% of their welfare caseload as ''working'' if they are engaged in vocational education, my amendment closes a gaping loophole . . . strengthens the work requirement . . . and gives states the flexibility to continue successful vocational education programs, while recognizing there is no substitute for work. Most importantly, this amendment moves welfare recipients a bit closer toward self-sufficiency.

Mr. President, the Majority Leader's welfare reform legislation is a serious first step toward fixing our fractured welfare system. While I am pleased that both of my tough work amendments were included in this final bill, I recognize that we still have a ways to go before we can say we've truly conquered the welfare problem.

Many important provisions which were not included in the Senate bill will be addressed by the House-Senate Conference Committee. I look forward to the Senate's consideration of the conference report . . . which I hope truly will end welfare as we know it. That is what we promised the American people, and that is what we must deliver.

''Far and away the best prize that life offers is the chance to work hard at work worth doing,'' said Theodore Roosevelt.

I urge my colleagues to hear those words and give this bipartisan legislation their support. It is good for welfare families . . . it is good for the taxpayers . . . and it is good government.

Mrs. BOXER. Mr. President, I have decided to vote for the Senate's welfare reform bill because I believe a bipartisan consensus has greatly improved it.

First child care to job training, to going after deadbeat parents—this Senate bill has moved in the appropriate direction.

I strongly oppose the House bill and believe that a strong vote going into the conference committee is essential.

I must state, however, that it is unfortunate to see the National Government backing away from a responsibility toward our Nation's children—a responsibility embraced by the Democratic alternative which was tougher on work and more compassionate toward children. I will work in the future for adoption of that kind of commonsense welfare reform.

Mr. LEVIN. Mr. President, I will vote for the compromise welfare reform bill which is before the Senate.

The Nation's welfare system does not serve the Nation well. It is broken in a number of places. It has failed the children it is intended to protect. It has failed the American taxpayer.

The compromise bill before us represents a bipartisan and constructive effort. Meaningful reform should protect children and establish the principle that able-bodied people work. Also, it would tighten child support enforcement laws and be more effective in getting fathers to support their children.

Additional funding has been included to assure that more child care resources will be available for children as single parents make the transition into work. This is a significant improvement in the bill and strengthens the work requirement because it better assures that States can effectively move people into job training, private sector employment, and community service jobs.

A provision has been added to strengthen the requirement on States to assure that they will take more responsibility and maintain their ongoing contribution to the welfare program.

The compromise adds a $1 billion contingency fund to provide for assistance to the States in economic emergency situations. The establish of such a provision is very important. As responsibility is shifted to the States and a block grant provided, it is critically important that there is some flexibility in the event of a recession or other economic crisis. I am particularly concerned about working people who lose their jobs and have exhausted their unemployment insurance benefits. Tens of thousands of such individuals are currently on welfare in my home State of Michigan. Such working people need the assurance of the safety net. I am also concerned that adequate contingency funds be available to protect children during periods of economic hardship. The contingency fund is a step toward such flexibility. I doubt that $1 billion will prove to be adequate, but Congress can revisit that issue in the future.

I am particularly pleased that the compromise bill contains my amendment which strengthens the work requirement in the bill.

The original Dole legislation required recipients to work within 2 years of receipt of benefits. My amendment, in its final version, adds a provision which requires that unless an able-bodied person is in a private sector job, school, or job training, the State must offer, and the recipient must accept, a community service employment within 3 months of receipt of benefits. In order to obtain its passage, it was necessary to include a provision which gives the States the flexibility to opt out of the requirement. However, I hope and expect that pressure from the American people, who overwhelmingly support strong work requirements, will convince their States to enforce the provision and not opt out.

Mr. President, this welfare reform bill is a positive step in the effort to get people, now on welfare, into jobs. It is a significant improvement over the original proposal put before us. It is stronger on work. It better protects children. It cracks down on parents who do not meet their responsibility to support their children. It provides some necessary child care.

I am troubled by some shortcomings. I would prefer a bill which did not end the Federal safety net for children, a bill like the Daschle Work First legislation which failed in the Senate narrowly and which I cosponsored. I am not fully convinced that the block grant approach will prove to be the right approach. Also, as I have already mentioned, I am not certain that the contingency fund which we have established will be adequate in a recession.

The decision is a close one.

So it is particularly important that partisanship not dominate the conference between the House and the Senate.

If it does, the progress made in the Senate would be undermined and welfare reform would be jeopardized.

Mr. PELL. Mr. President, the Senate has now debated welfare reform legislation for several weeks. The changes that have been incorporated in the legislation before us today are profound,

marking a great departure from the system that has been in place for 60 years. As one who has served my State of Rhode Island and this Nation as a U.S. Senator for 35 of those 60 years, I do not take lightly the vote that I am casting today. I have thought long and hard about the desire for change, for reform, and for a better welfare system, and I share all of those goals.

As I look at the bill before us, I remain concerned. It does not provide nearly enough of what I think is necessary for quality welfare reform. And it does not sufficiently protect our children or provide adults with the tools they need to move off of welfare and into work.

But the bill before us is also a drastic improvement over the House welfare legislation, and, with the addition of the Dole-Daschle compromise, moves us more in the direction that I think is best for our Nation. So while it is with some reluctance. I have decided to cast my vote in favor of the bill before us today. I am doing so with the understanding that the American people want and demand action, and are seeking a new way of accomplishing what the existing system has not been able to accomplish. I am willing to try a new way, but acknowledge freely that without the minimal protections put into place by the Dole-Daschle agreement with respect to child care and other important provisions, I would not be voting ''yea'' today.

I cannot help hope that the conference committee will see fit to incorporate more of the provisions contained in the work-first proposal introduced by Senator DASCHLE, which I cosponsored. I still support and strongly prefer its provisions—its emphasis on transitioning welfare recipients to work, its understanding that providing childcare is a linchpin of successful reform, and its premise that, despite very real abuses of the current system by some welfare recipients, most people want to get off welfare and work at a job that provides a living wage. But I realize that the conference committee is more likely to move this bill in a direction that I cannot support, by being more punitive to parents and, in the process harming children who have not chosen their parents or their circumstances.

Mr. President, it would be my intention, should the bill return from the conference committee stripped of these moderating provisions, or including any of the more draconian provisions we defeated during the Senate debate, to cast my vote against the conference report. I hope that this will not be necessary and that we will be able to pass a conference report that really does move the Nation in the direction that we all want to see toward workable reform that moves this generation off of dependency while ensuring that the next generation does not suffer from its parents' failures or misfortunes.

Ms. SNOWE. Mr. President, I rise today to speak in support of a comprehensive overhaul of our Nation's welfare system.

I would like to commend the distinguished Majority Leader, Senator DOLE, and many of my colleagues for bringing a much-needed and timely bill to the floor of the Senate for action.

I am also looking forward to what I believe can be a genuine spirit of bipartisanship as we seek to address some of the aspects of our welfare system that have hurt, rather than helped, Americans forge a better future for themselves and their families.

Although it has been characterized as such, welfare reform should not be a conservative-versus-liberal issue, or a Democrat-versus-Republican issue. It should be an issue where we seek to involve and include various constructive points of view for a cause whose worth stretches beyond partisan political lines.

Simply put, what we must strive for in this debate is to end welfare as a way of life for millions of Americans and their families, while at the same time preserving a safety net for those in our society who need a leg-up rather than a hand-out to succeed in their personal quest of the American dream.

What we must be compelled to accomplish is to require more individual responsibility, a strengthened work ethic, and a sense of discipline and order to the family, all while continuing to maintain our historic and compassionate commitment to those who need our help in those dark times that are a part of everyone's life at some time or another.

Mr. President, I believe we can—and must—give them change with a human face. It is not necessary to be less compassionate or less understanding, but it is possible to be less spendthrift and less generous to those who have taken undue advantage of our system.

As we begin to meet these challenges and others, I am eager to work with all my colleagues to further improve this legislation and, in the process, craft a better America and set our Nation on a new and more responsible course into the 21st century.

Everything we and our parents have worked for to give us a better life and instill in us a sense of national purpose as well as personal responsibility is at stake in this debate.

We, in America, all too frequently judge our Nation and measure our country's worth as a people by standards of economic statistics, by gold, silver and bronze medals won at world tournaments, or by military might as the world's greatest democracy.

But to judge America in terms of a society, clearly we are lacking in many respects.

In today's society, it is hardly uncommon for an individual to be smoking or drinking by the time they are 10; to be caught stealing by the time they are 11; to be hooked on drugs by the time they are 12; to be sexually active by 13 years of age; to be pregnant by the time of their 14th birthday; to be on welfare at 15; to be a high school drop-out at 16; and to have the American dream be nothing more than a pipe dream at 17.

Mr. President, to many this may be nothing less or nothing more than a worst-case scenario. But, unfortunately, in the 1990's it has become an acceptable scenario in America. How tragic; and how wrong.

Welfare in America has become a way of life, a culture of despondency, a tradition of dismay, and has bequeathed a sad inheritance of dependance for millions of our citizens.

Our challenge in these proceedings is not to make their lives more difficult by our efforts here, or to perpetuate any negative stereotypes, or to treat harshly those people in need of help; our solemn challenge is to give them a new chance, a new beginning, and to show them a different and better way of life.

In the 1960's, when many welfare programs were designed and implemented by the Federal Government, we were willing to risk the involvement of central government in people's lives for the benefit of helping them to help themselves.

Instead, welfare in the 1990's is out of touch, out of cash, and out of tune with people's lives. In an August 1993 Yankelovich poll, respondents were asked, ''Do you think our current welfare system helps more families than it hurts, or hurts more families than it helps?'' Twenty-four percent said that it helps more, while a commanding 62 percent said it hurts more.

Many might wonder what it is that we have bought with over $5 trillion in welfare funds over the past 30 years. Many might wonder what the returns have been on an investment we made three generations ago.

It is a disappointing litany of our shortcomings as a society and as a compassionate democracy.

Mr. President, what we are doing is rewarding the failure of the individual spirit to strive for greatness and personal responsibility. As one pollster said, ''Welfare rewards what life punishes.''

Moreover, these social and cultural trends play a major role in other trends involving crime and violence, both on the streets and in our homes; they affect education, urban decay, and our economy. Their link to each other is unmistakable.

As former Education Secretary William Bennett said:

> Over the last three decades we have experienced substantial social regression. Today, the forces of social decomposition are challenging—and in some instances, overtaking—the forces of social composition. And when decomposition takes hold, it exacts an enormous human cost.

These figures exact the toll and tally that cost.

Since 1960, illegitimate births have soared by more than 400 percent; while only 5.3 percent of all births were out-of-wedlock in 1960, illegitimate births rose to 30 percent of all births by 1992.

The pregnancy rate among unmarried teenagers has more than doubled since the early 1970's, amounting to over one million—one million—teen pregnancies every single year.

While America's marriage rate has declined spectacularly for 20 years by almost one-third to an all-time low, America's divorce rate has increased by nearly 300 percent in the past 30 years, subjecting more of our children to more broken families than ever before.

The Congressional Budget Office reports that 77 percent of unmarried adolescent mothers become welfare recipients within 5 years of the birth of their first child. And many of them are staying on welfare for a long time. In fact, more than half of the 9.5 million children receiving AFDC have parents who never married each other.

Single-parent families account for 65 percent of poor families with children, and they account for over half of all poor families. I should mention that studies show that almost 1 out of every 4 children from one-parent families will be in poverty for 7 years or more, compared with only 2 percent from two-parent families.

And, despite an explosion in welfare spending, more children live in poverty today—22 percent—than in 1965; 15 percent, which is when the famous—or infamous—War on Poverty began. What does 22 percent mean in real terms? Try over 15 million children living in poverty in America today.

The percentage of all American children dependent on AFDC welfare increased from 3.5 percent in 1960 to over 13 percent in the 1990's.

While we are talking about AFDC—it has become a $23 billion Federal-State program supporting approximately 14.5 million people—and that is a 31-percent increase not over 1960 or 1965 or even 1970, but a 31-percent increase over 1989; only 6 short years ago.

Probably worst of all, among these terrible numbers, are these:

First, of the 4.5 million households currently receiving AFDC benefits, well over half will remain dependent on the program for over a decade—10 years—and many will remain dependent for 15 years or even longer.

Second, and even worse, children raised in single-parent families are three times more likely to become welfare recipients themselves as adults—a clear continuing legacy of failure and the unmistakable mark of what the Heritage Foundation calls intergenerational dependence.

That is highlighted by the fact that 60 percent of welfare recipients today are the children of welfare dependents from the previous generation.

As I mentioned, America has spent $5 trillion in welfare assistance since the start of the War on Poverty.

Mr. President, we are losing—badly losing—the war within our borders against poverty and social decay.

But through the haze and maze of this debate, we can learn from some of the success stories of people who were once on welfare and had the courage and stamina to leave the system and seek a better life.

For some, welfare meets a critical need; sometimes, a critical lifeline in troubled times. Our challenge is to reform this system so that it works for more people, encourages more to leave the system for good and return to wage-earning jobs, and yet retains the vital portions of the safety net for the neediest among us.

It can happen. It can work. We can make it a reality.

I know because I have met the success stories firsthand. Take Melissa Brough from Portland, ME. She succeeded in welfare. Sadly, she succeeded despite the system, not because of it. Listen to what she has to say:

> I started out just needing some subsidized child care so I could find a job to support us. I ended up trickling down through the system for 4 years. What a way to build self-confidence and self-esteem!
>
> It's no wonder people get trapped in the welfare system, when competing resources seem to have money and statistics in mind instead of individuals * * * [L]et's provide the resources and support * * * to help people along the road to self-sufficiency.

Mr. President, Melissa is right. Self-sufficiency should be our goal, and the system we design must provide the resources and support to help people along that road.

Sometimes, getting to success and self-sufficiency requires short-term sacrifices and tough choices. But there are stories to show that they are worth it.

Tecia Girardin is a proud mother of three sons living in Readfield, ME. She works 50 hours a week and takes home $350 weekly in pay through her job at Progressive Distributors, a warehouse distribution center. She is now getting $345 a month in child support, and 2 years ago put a downpayment on 48 acres of land, where she hopes to build a house in the near future.

But it was not always this way for Tecia and her boys. Years ago, she counted on food stamps to put food on her table at night. She used to rummage for aluminum cans to pay for the rent.

Looking back, Tecia recalls, ''It was a nightmare, but we made it.'' She adds, ''I was determined to make it on my own. I just do not think a life of dependency is good—whether it is dependency on alcohol, drugs, or government assistance * * * I wanted to be free of welfare.''

With her pride and her self-confidence, Tecia broke the shackles of welfare and took several tough jobs before landing a position at Progressive Distributors, where she has now been for 5 years. She is off food stamps and off Medicaid, and it is been 4 years since her last benefit check. But times are still tough for her and her family.

We still need to do more to help people like Tecia break free of the system.

I believe the majority leader's plan makes a good attempt to help people break free of the labyrinth of welfare.

This legislation recognizes that the Federal Government does not have the ability to create a one-size-fits-all welfare program. Instead, it has made a necessary and bold change: States are awarded block grants to design a local program that meets unique State needs.

I support this basic concept, and believe it is essential that welfare reform give States the flexibility to address the unique problems of their citizens. At the Federal level, we simply do not know what will work. Each State should have the flexibility to address the problem as they understand it.

In Maine, the principle reason that families go on welfare is divorce or separation. That is the No. 1 reason: 42 percent of all AFDC recipients are forced onto welfare as a result of divorce or separation. In Maine, 61 percent of adult AFDC recipients have obtained their GED. The people behind these statistics may require quite different welfare programs than people in densely populated States.

That is why flexibility is a crucial tool—missing from existing welfare programs—that must be extended to the States.

I also support the restoration of AFDC as a temporary assistance program, rather than a program which entangles and traps generation after generation after generation.

The legislation before us allows States to provide benefits for 5 years, but after that point benefits are terminated. As soon as a recipient is work ready, he or she will be required to work for their benefits. All recipients will be required to work after receiving benefits for 2 years.

Nothing like a time-limited welfare system has ever been tried in this country. But we need to send a message to recipients that there are responsibilities associated with receiving a welfare check: responsibility brings dignity. And to promote responsibility, there must be consequences to action or inaction.

This bill also makes progress in another critical area of concern, one that, for many welfare recipients, has forced them into poverty: child support enforcement.

Child support enforcement is one of the most important provisions in our campaign to revamp the welfare system of this country. It affects every State—children at every income level—and it affects both single-mothers and single-fathers. As a national problem, child support enforcement merits a national solution. And we must demonstrate our leadership by providing it.

I am proud to have worked in a bipartisan manner with the majority leader, Senator DOLE, and the Senator from New Jersey, Mr. BRADLEY, to develop a sound and comprehensive national child support enforcement solution. The major provisions of our legislation have been incorporated into this proposal.

To strengthen efforts to locate parents, the bill expands the federal parent locator system and provides for State-to-State access of the network.

To increase paternity establishment, the bill makes it easier for fathers to voluntarily acknowledge paternity and encourages outreach.

To facilitate the setting of effective child support orders, it calls for the establishment of a National Child Support Guidelines Commission to develop a national child support guideline for consideration by Congress, and provides for a simplified process for review and adjustment of child support orders.

And to facilitate child support enforcement and collection, the bill expands the penalties for child support delinquency to include the denial of professional, recreational, and driver's license to deadbeat parents, the imposition of liens on real property, and the automatic reporting of delinquency to credit unions.

This provision has proven very effective in my own State of Maine, where the State has collected more than $21 million in child support payments by sending letters to delinquent parents with a very real threat to revoke professional licenses.

This bill also grants families who are owed child support the right of first access to an IRS refund credited to a deadbeat parent and permits the denial of a passport for individuals who are more than $5,000 or 24 months in arrears.

Mr. President, as I have pointed out, this legislation seeks to implement on a national level some of the successful child support enforcement mechanisms being utilized by some innovative States, like my home State of Maine.

Clearly these efforts pay off. But we can—and must—do much more. We have the tools to replicate the successes of States like Maine on a national level and begin to ease and eventually lift the economic and emotional burdens caused by delinquent child support payments.

Mr. President, as we reform the system to encourage welfare recipients to work, we must also ensure that we provide for appropriate and adequate child care for mothers with young children. And in instances where that child care is not available, we cannot penalize mothers with young children at a very fragile and unstable time in their lives as they struggle to make ends meet.

When we in this chamber talk about the need to protect the neediest in society and to protect some of our less fortunate citizens by casting a so-called safety net, nothing could represent that support more than helping mothers care for their children as they seek to make the move from the world of welfare to the world of work.

We must not condone a situation where a woman would be forced to choose between her children's well-being and her job and benefits.

We cannot allow, for example, a woman to leave her two young children at home alone, unattended, because she is required to work. To do so would be to give them a Catch-22 choice, a choice between the devil and the deep blue sea.

And many more women could be faced with that difficult choice than ever before under this bill. By requiring work participation rates to reach 50 percent by fiscal year 2000, it is estimated this will add an additional 665,000 children to those currently in need of child care.

The truth is, we have a long way to go before we can assure access to child care—let alone affordable child care. In dozens of States across America, there are long waiting lists for child care. In Alabama, for example, there are nearly 20,000 children on the waiting list for child care, adding up to an average wait between one and one-and-a-half years.

In Texas, a staggering 35,692 children are on the waiting list, with waits as long as two years. In my home State of Maine, there are more than 3,000 children on the child care waiting list.

Fortunately, there is light at the end of what for many women in this country is a very long tunnel.

I am extremely pleased to be able to say that the majority leader has decided to incorporate a major provision, I authored along with some of my colleagues, into this proposal to help address the issue of child care for parents on welfare. This is a critical issue for welfare reform, and one I have been working to address since the debate on welfare began.

With this new provision incorporated into the proposal, States will be prohibited from sanctioning mothers with children aged 5 or under if the State cannot provide adequate and affordable child care for those recipients whom it requires to go to work.

This is important considering that the Department of Health and Human Services has estimated that almost 62 percent of welfare recipients have children aged 5 or under.

I am also pleased to have been involved in a bipartisan effort by working with Senators ORRIN HATCH, CHRISTOPHER DODD, BILL COHEN, JOHN CHAFEE, JIM JEFFORDS and NANCY KASSEBAUM to allocate an additional $3 billion over 5 years in child care services funding.

Under this agreement reached with the majority leader, the States will be required to match child care funds at the Medicaid match rate.

This additional funding, when combined with the $1 billion that Senator HATCH's amendment sets aside for child care, will go a long way to ensuring that we make our welfare reform proposals viable and realistic options for single parents who need care for their children in this country.

Adequate child care funding is a major issue that the Governors themselves—in a letter to Majority Leader DOLE dated September 13—called the largest part of the up-front investment needed for successful welfare reform. And they are right.

This provision on child care funding is a significant point of agreement and consensus for all of us in this historic legislation, and I am heartened to see its addition to the bill.

We have also made progress in another area that I consider critical to our reform efforts—and that is the important issue of State maintenance of effort.

I, along with many of my colleagues, believe this area is a central component to the success of the reforms before us because we believe it is essential to continue the shared Federal-State partnership in welfare.

Since 1935 when title IV of the Social Security Act was signed into law, welfare has been a shared Federal-State responsibility. As we move to reengineer the system, both sides must renew their commitment to the partnership—and by this I mean both their moral commitment and their financial obligations.

Indeed, the States, like the Federal Government, face many competing forces for funding.

With the mandate from the public to reduce spending and balance State budgets, Governors and State legislatures face the same tough choices that we in Congress are in the process of making.

Some have written that this ''is not a question of trust.'' But I believe it is, and some States are working hard to meet that trust, and they are succeeding.

Many States, like my State of Maine, have already made a strong commitment to welfare reform and I know that they will continue to do so. But my concern is that some States—precisely because of those competing forces for funding—may not.

States have a tremendous stake in the success of our welfare system. They should have a financial commitment as well, both in the cost as well as in the potential savings.

That is why we must include provisions requiring States to continue the Federal-State partnership.

Let me be clear about one point: We are not asking the States to increase their financial contribution, but we need to make sure that they do contribute. Toward that end, I supported and was cosponsor of the Breaux amendment to make those figures a 90 percent contribution over five years.

In response, the leadership agreed to include language that would require States to provide 80 percent of their fiscal year 1994 contribution to welfare for 5 years—the full lifespan of this bill.

Mr. President, let me conclude by saying that, like all broad-reaching Government reforms, this is not a perfect solution to the vast challenges that face our welfare system. There are some aspects that can—perhaps should—be improved. But I believe that this legislation moves us closer to a workable solution.

We have already spent countless billions on a welfare system that has made little progress in resolving the problems of the poor. We cannot afford to simply do nothing—to maintain the status quo, with all of its perverse incentives.

Instead, we must act now, and begin the process of ending welfare as a way of life, and restoring welfare assistance to its original purpose, to provide temporary help to our neighbors in need.

Americans have long demonstrated their generosity and their commitment to help our neighbors, families, and children in need. Yet Americans deserve to see results for their efforts and their investment in assisting the neediest. For 30 years, our welfare system has delivered positive results sporadically at best. Americans are demanding more for their investment, and we in Congress must heed their call and help States achieve welfare's noble goals.

Thank you, Mr. President. I yield the floor.

Mr. ROCKEFELLER. Mr. President, for a very long time, I have argued for welfare reform. My fundamental goal for reform is to see parents work and accept personal responsibility. Welfare should be a temporary program to help people become independent, not a trap of long-term dependency. But at the same time, innocent children should be protected and not punished for circumstances beyond their control.

I rise to explain how I came to the conclusion to vote for the final version of welfare reform legislation before the Senate this afternoon. My vote is for the basic idea that the current welfare system can't be continued. It must be changed. This bill is now our opportunity for changing the rules and encouraging major reform. While I strongly opposed the original bill offered by the Majority Leader, BOB DOLE, I am relieved that the persistent, dedicated work of a team that I was proud to join has resulted in many changes—including some major improvements that were essential for West Virginia—to the legislation. In my view, there are still flaws and disappointments in this bill. But as someone who serves to achieve the most good possible through consensus and cooperation, I am voting for this bill to do just that.

West Virginians have told me for a long time why they are anxious for welfare reform. It is unfair to hard-working families when it is too easy for others to receive public assistance that does not end. And for parents who want to work or can work, the system has to emphasize the means to that end instead of the criteria for staying on welfare. None of this will be easy, but it is time for these changes.

This is not a new mission for me. I have worked on ways to reform our welfare system for years. In 1982 as Governor of West Virginia, I was proud to start a program called Community Work Experience Program in our State that required many parents on welfare to work in their community when they could not find private sector jobs, mostly because of high unemployment. This idea is more commonly known as workfare, and West Virginia was one of the first two States in the country to start this program and we are still using it today. I believe in workfare and community service as important alternatives when a private sector job is not available.

In the Senate, I continued to work on changing the welfare system, and I am proud of the efforts begun in 1988 under the Family Support Act that passed with strong bipartisan involvement and support. This legislation was an important first step. While we all know that the Family Support Act was not perfect, it began to change the system to move families from welfare to work. The Family Support Act also gave States the latitude to try various approaches to welfare reform which have now encouraged bolder efforts, today.

Based on my goals for West Virginia and my work as Chairman of the National Commission on Children, I participated in the welfare reform debate as a cosponsor and strong proponent of the Democratic Leader's bill, ''Work First.'' In my view, it was a mistake for the Senate to reject our amendment containing this bill. ''Work First'' would end welfare as we know it by eliminating the existing Aid to Families With Dependent Children (AFDC). The Democratic alternative would require work and promote parental responsibility, and yet at the same time provide the best safeguards for both children and State budgets during times of economic downturns. Unfortunately, this strong package was not taken seriously by the Republican side and was defeated.

So in good faith, Democrats did not disappear from the process to enact welfare reform, nor did we surrender on the goals we think the American people share, too. We have spent the last week on the floor to push for consensus and compromise on very important issues. It was discouraging to deal with the original Republicans' bill that made promises without the means to keep those promises. The early refusal to work in a bipartisan spirit was unnecessary, and made it very difficult to work through decisions that will have consequences for taxpayers and poor families in our States. But we persisted in order to make our best attempt at achieving welfare reform and protecting principles represented in the ''Work First'' alternative.

As a result, major changes have been made to the Republican bill on the Senate floor, including adding a maintenance of effort requirement to ensure that States continue to invest their fair share to help needy children and their families. This was a victory for the principle of responsible government and a major step in reserving adequate resources for poor children.

Child care funding is another fundamental change to the original Dole bill that is absolutely crucial if we are serious about moving parents from welfare to work. We should insist that parents go to work, but we also must be realistic and acknowledge that a lack of safe, affordable child care remains a barrier. Democrats worked very hard to secure additional funding for child care. I still worry that this final compromise might be short on funding, but I am relieved that we secured the additional funds for something that families literally can not go without. Let us remember that parents are put in jail for leaving children unattended. Government can not require parents to be at work if they do not have a way for their children to be cared for. When we talk about family values, child care belongs in how to turn our rhetoric into reality.

If we make the huge leap from an entitlement to a block grant program, one of my early goals has been to secure a contingency fund to provide additional help to States when poverty rises. Under the Democratic ''Work First'' alternative, we maintained the historic Federal-State shared responsibility for this population so there was no need for a contingency fund. But under a block grant approach, there is a need for some type of safeguard in times of high unemployment, natural disasters, or other unforeseen reasons that increase the number of very poor families in a State.

As a former Governor who led my State of West Virginia through a severe recession with double-digit unemployment rates, I am keenly aware of this problem. Families who always worked and never wanted welfare were temporarily forced to seek assistance because of harsh economic conditions in my State in the 1980s. Then, Federal assistance was there to help needy families through hard times even though our State revenues declined, and it would have been impossible for West Virginia to serve needy families without additional Federal help. Even with a contingency grant fund, I worry how a block grant approach will work when a State or several States face problems of high unemployment or a natural disaster. But after a hard battle, we managed to get a provision into this final legislation that will make the contingency fund a grant program, instead of loans, and which will offer real help when families and States hit difficult times.

As we think about the problems of unemployment, it brings to mind the worries of what happens to families who hit the time-limit in the midst of a deep recession? I know numerous personal stories, because I know families on welfare in West Virginia who would eagerly work, but the jobs just are not there. I submitted two specific amendments to this bill designed to give States the option of waiving the time limits for good reasons—such as high unemployment or if adults simply could not work because they were ill, incapacitated, or caring for a disabled

child. In my view, it would be best to spell out limited reasons for exceptions. While my criteria were not adopted, our success in winning an increase in the States' hardship waiver from 15 percent to 20 percent will achieve the same goal. I appreciate the strong support for my amendments that was voiced by the National Governors' Association, State Legislatures, and other officials who know the practicalities involved in real welfare reform.

I also want to note why it is so essential to maintain the Senate approach on child welfare, foster care and adoption assistance. In the Finance Committee, we specifically stated our intention to retain current law so that the Nation's basic commitment to abused and neglected child would continue. Child welfare is very different than general cash assistance for poor children. Child welfare serves children at risk of abuse and neglect in their own homes. We should not reduce or cap Federal aid to such vulnerable children. That means we must maintain the entitlement nature of foster care and adoption assistance. There is support from both sides of the aisle for this in the Senate, and I specifically want to commend Senator CHAFEE for his leadership on the important issue. The Senate approach on child welfare and foster care system must be preserved in the conference, and I am personally determined that we not retreat from the country's important guidelines and reliable support that abused and neglected children rely on.

Bold changes in child support enforcement are a real victory in this legislative package. Because this was one section developed in a bipartisan manner from an early point, it has not attracted much debate or public attention. But West Virginians and our fellow Americans certainly know the significance of child support and insisting on parental responsibility. There are billions of dollars owed to children by absent parents. I cosponsored the bipartisan legislation offered by Senator BRADLEY which provided a good framework for the tough provisions in this legislation that will help collect those dollars. Getting tough on child support is a priority.

In addition to changing the rules, we also need to change attitudes. It is pathetic that adults are more responsible about paying their car loan payments than their child support. This is unacceptable and must be turned around.

As Chairman of the bipartisan National Commission on Children, I have been working on the issue of welfare and families closely for years. I want to find creative, bipartisan ways to strengthen and stabilize families. Our Commission issued a unanimous report that called for a whole new approach on children and family policy at all levels—Federal, State, and in our communities. The legislation passed today reflect some of the direction recommended by the Children's Commission. I strongly support the idea that States and local communities must take a leadership role in helping all families, including those needy families on welfare.

And again, I repeat my hope that this country will maintain a nationwide, steadfast commitment to safeguarding children. Our country has a stake in every child, whether a child is born to a poor family in rural West Virginia or a family in an inner city. A child born to an unwed mother has the same basic needs and the same potential, as a child who is more fortunate and born into a stable, wealthy family. I honestly don't believe that the legitimate cry we hear for welfare reform is a demand to forget or abandon children.

As I said at the outset, I believe in welfare reform, and it is obvious that the American public demands it.

As someone who has fought for children and families for years, I hope that the States receiving so much new responsibility for the fate of their poor citizens will take it very, very seriously.

Children are two out of three people who depend on welfare today, and they should not be punished. Because of this deep concern, I was one of the members who pushed very hard to incorporate an evaluation amendment into this legislation. We should acknowledge that this legislation is a huge experiment. We are eliminating the Federal safety net that has assured minimum support for needy children and families for over 60 years, and this legislation will replace it with a new approach. While AFDC has serious flaws and must be changed, this approach is new and untested. I feel a strong moral obligation to thoroughly study and evaluate how this new approach serves children and families. Optimists and staunch supporters of the Work Opportunity Act predict this bill will reduce dependency and move families from welfare to work. Critics warn that children will end up on the streets.

I am willing to try, and I am willing to vote for this legislation. But I insist that we monitor it closely to evaluate carefully how children are affected. Because of our evaluation amendment, we now have this commitment and obligation.

I truly hope that this bill fulfills its bold promise to help move families from welfare to work and to end the cycle of dependency. When a conference is established to negotiate the final welfare reform bill to send to the President, I hope that the debate and revisions that have taken place here in the Senate will be taken extremely seriously. And if and when a welfare reform bill is signed into law, and if the warnings of the critics are true and children are abandoned, we must swiftly revise the law and try again.

My fundamental principle remains that children should be protected. From my work on the National Commission on Children, I believe in building consensus and trying creative approaches. For the sake of our children, and the future of our country, we need to chart a bipartisan course that emphasizes cooperation on behalf of children and families. Children should not become pawns in a partisan rhetoric and politics, and I hope that the conference on welfare reform will adopt such an approach so that common ground and reasonable compromises will be achieved.

I congratulate the numerous Senators, staff members, and experts who devoted untold hours and energy into preventing the original Dole bill from succeeding and working out important, vital improvements. West Virginia was better served through the process of these revisions, and will be better equipped to prod and help poor families avoid dependency. I worked hard to achieve the changes most important to my State, and I hope they will remain in the final welfare reform legislation that must be negotiated with the House.

Welfare reform must also work in the real world. We have seen in the recent months once again how attractive the words are to politicians and others who see advantage in dividing people, scoring cheap points, and pretending that the country's problems are easy to solve. That is an injustice to all Americans, to taxpayers frustrated with the welfare system and to the families who find themselves poor for whatever reason. We know that America feels best when we succeed in achieving ambitious goals by pulling together, living up to our Nation's principles, and making the effort required to get the job done. Welfare reform is a very ambitious goal, and the passage of this bill takes us one step further to accomplishing the real results and true change that Americans expect.

Mr. GORTON. Mr. President, 30 years ago President Johnson had a dream of a ''Great Society'' where the United States Government would undertake to lift the poor out of their wretchedness. Today, the intended nobility of his dream has been obliterated by the horrors of crime, drugs, illegitimacy and total family breakdown. Mr. President, I am not just saying that welfare does not work; I am saying that it is hurting those it purports to help.

Hundreds of thousands of Americans are suffering because the Federal Government insists on centralized control over a system that is not living up to its promises. Thirty years of welfare state have not eradicated poverty, not made a dent in poverty; if anything, poverty in America has become more wretched than ever before.

What we know now, Mr. President, is a Federal bureaucracy that has shown itself virtually incapable helping needy people. More Federal mandates are not the answer. Control over welfare must be relinquished to State and local governments. Federal control certainly does not work, and the only way we can determine what kind of public assistance program will work is if we let

States and local communities experiment.

Mr. President, I have heard from people in Washington State who have knowledge of and experience with the present system and who fervently believe in disassembling welfare as we know it.

This year, Washington State legislators tried to overhaul the State welfare system. Their frustration mounted as their innovative ideas were killed by overwhelming amounts of waivers, directors and general red tape from the Federal Government.

Social workers are often too busy keeping up with paperwork and complicated, sometimes conflicting, Federal regulations to help people get jobs and become self-sufficient.

I have listened to people who are on or have been on welfare. Their stories alone are enough to convince me that the system has to be charged. Welfare, you see, punishes people for trying to get out. One woman in Whatcom County was not allowed to participate in a job training program because she hadn't been receiving public assistance long enough.

Mr. President, the faults and iniquities of welfare run wide and deep. We must face the problem. We must stop pretending that by tinkering here or changing a bit there that everything will be better. What we must do is completely restructure public assistance in America. It is well past time for Washington, DC to relinquish control over welfare to States and local communities.

There are a lot of things the Federal Government is good at—handing out checks and creating bureaucracies are particular areas of expertise. But the Federal Government is not so good at setting people free from its control.

The current system pits people against government institutions. it prohibits innovation. When local communities try to implement new ways to combat poverty, unemployment and illegitimacy, the bureaucracy balks, throwing up barriers to new ideas and community involvement, and enforcing the same old mandates.

Frankly, Mr. President, bureaucracies do not care if people get off welfare or stay on it for the rest of their lives. But there are many of us who do care, who do want to relieve the plight of so many of our fellow Americans.

The liberals who have supported the Welfare State these many years are reacting with vehemence against proposals to let States and local communities have more of a say in public assistance programs. This reaction points to the distrust most liberals have toward people, as opposed to government institutions. Does it make sense to say that a bureaucrat in Washington, DC cares more about needy people in Spokane, WA, than do the actual citizens of that community? I do not believe so.

Mr. President, the only way to stop the dependency, the illegitimacy, the family breakdown, and the hopelessness of the current system is to truly change—not merely tinker with—the way it is run. If our goal is to improve people's lives, then we can't continue on the path we're on now.

We must allow people the opportunity to make their own lives, to provide for themselves and their families, to feel the pride of honest work, and to be the deciders of their fate—not to have the Federal Government as their master.

Mr. President, I support the majority leader's welfare reform bill because it provides the best means for giving responsibility back to local communities and ending the Federal Government's control over how money is spent and programs administered. This legislation, America's Work and Family Opportunities Act of 1995, does not fall into the trap of trying to manage the system from Washington, DC. State and local governments, instead of being told what to do by Federal bureaucrats, are allowed to experiment and come up with solutions that meet local needs.

The last thing we need is yet more Federal mandates to stifle local innovations and solutions. Mandates that sound wonderful in the Nation's Capital can wreak havoc when they are put into practice—in truth, we have no way of knowing if they will work. Giving States flexibility will produce programs both successful and unsuccessful; when we can distinguish one from the other, perhaps more Federal guidance will be in order.

Our only hope for ending welfare as we know it, Mr. President, is to end the bureaucracy, end the incentives for staying on the rolls and out of work, and end the institution which has bred social disintegration. Washington, DC is going to have to do something entirely foreign to its nature: give up some of its power and mind its own business.

Mr. President, it is no longer enough to say that we mean well, that we have the proverbial good intentions. Let's stop the arrogant, self-important assumption that we can single-handedly run things out of Washington, DC. In the case of welfare, that's what we've been doing for 30 years, and its been a disaster.

My goals is reforming welfare area straightforward: Do away with the current system, and replace it with one that encourages work, discourages illegitimacy, and stops the cycle of family destruction. I believe America's Work and Family Opportunities Act of 1995 will best accomplish these goals.

Mr. DODD. Mr. President, although I vote today in support of welfare reform, it is with strong reservations.

We all agree that our Nation's welfare system needs reform. Members on both sides of the aisle, most of our constituents, our Governors, everyone agrees that the current system does not work.

And while we all have agreed that the system needs change, there has not been agreement on the right approach. The original Dole welfare proposal was totally unacceptable. It failed to designate a dime for child care, would force parents to leave kids home alone, and did not focus on actually getting our current welfare recipients into real work.

Enough significant improvements have been made, however, to lead me to vote for this bill. It looks totally different from the House version and is no longer the bill introduced by the majority leader.

The bill now emphasizes work. Unlike its original version, it now measures work instead of participation rates. It recognizes that child care is essential to getting people with young children to work. The bill now includes a work bonus for States and includes other provisions that truly commit us to moving adults off the welfare rolls and onto payrolls.

The current version of the bill also includes many more protections for children. The original Dole bill designated no money for child care. We now have $8 billion over 5 years to help ensure that no child is left home alone. I initially pushed for $11 billion, the amount we have heard is necessary to make the work requirements effective, and came close to securing that amount.

In the original Dole bill, women with infants and toddlers, in effect, would have been told to leave their kids home alone or face penalties. The bill we vote on today says that mothers with children under 6 cannot be sanctioned if they cannot find child care. The modification also says that States can limit required work hours for parents with kids under age 6 from 35 hours to 20 hours per week.

Democrats made significant improvements in other areas too. The bill now includes a maintenance of effort requirement for States so that taking care of our Nation's poor children remains a joint responsibility between the Federal and State governments. And the bill provides a limited contingency fund for States to deal with downturns in the economy. It is not as much as I would like to see, but it recognizes that flat-funded block grants do not address sudden or prolonged changes in a State's economy.

The bill also, now, provides money for second chance homes—as a way to really try and get at the problem of teen pregnancy. The original Dole bill had no money for these homes. I also am pleased that punitive measures that would have required all States to impose the family cap and deny benefits to teen mothers have been defeated and excluded from the bill.

While I am pleased with the changes we were able to make in the bill, problems remain. It includes no protection for children whose parents meet the time limit. Republicans opposed even allowing States to decide whether or not they would provide vouchers for children whose parents met the time

limit. The absence of this provision—a safety net for kids—troubles me.

Also of concern, the contingency fund offers States only $1 billion where we sought $5 billion. I worry, ultimately, about the impact of these deficiencies on States that face economic downturns.

But ultimately, all of us must make a choice here today, and despite the measure's deficiencies—I intend to vote to move the process forward. But I want to make myself perfectly clear: if it returns from the House, looking less like the bill we have here today—if it destroys child protection programs, if it takes away school lunches, if its child care provisions do not reflect the significant progress that's been made in this body over the passed week—then this bill and welfare reform is in real trouble.

So I hope that a strong vote for the bill today will not be construed as an indication of support for whatever comes back from conference. This is simply not the case. A serious retreat from what we adopt here today will lead me to stand up and oppose the legislation.

As I have said all the way along, I believe that going from welfare to work is something that ought to be supported. This vehicle gives us the opportunity to do that with the improvements that have been made in it. So, with reluctance, I will support this legislation and await the outcome of the conference.

Mr. KERRY. Mr. President, making significant alterations in a governmental service or program that affects many people almost always will be controversial. The Senate will act today on a bill that falls into that category. The welfare reform legislation addresses a vexing set of social problems, a portion of our population that indisputably has great need, and our society's hopes and desires that people, especially children, be treated humanely but that all adults able to do so contribute to the Nation in which they live and achieve self-sufficiency to the extent of their potential.

There are some component issues about which there is widespread agreement. The existing welfare structure fails in far too many cases to provide a sufficient incentive to adults—and the various kinds of temporary assistance they need—to move toward self-sufficiency. The abuses of the existing system—while they very likely are statistically infrequent—are sufficiently frequent and sufficiently provocative that the system has lost the support of the American people. The commendable benevolence of the American people toward those who truly have experienced misfortune due to no fault of their own and need some help in getting back on their feet, has been sorely tested.

Indeed, my patience with the existing welfare system has been exhausted. It is my judgment that our welfare system badly needs overhaul. It is failing to contribute sufficiently to the self-sufficiency of those it is intended to help. Instead, all too often it perpetuates dependency.

Welfare reform was a prominent objective of those whose party won the elections last fall, and who gained control of both Houses of the Congress. They produced legislation to dramatically alter the existing welfare structure and system. Earlier this year, the House of Representatives passed a far-reaching bill. That bill basically takes the welfare problem and dumps it in the lap of State governments. It announces in effect, ''Henceforth, the wellbeing of impoverished adults and their children will not be a Federal problem.'' That bill takes the Federal funding now being spent on welfare, and, after cutting the amount, simply hands it to the States and says ''Go solve this problem. Good luck.'' While that is admittedly a dramatic oversimplification of the bill, it is a bill I could not support.

The majority leader, Senator DOLE, brought a welfare reform bill to the Senate floor in August—a significantly modified version of legislation reported earlier by the Senate Finance Committee. Mr. President, that bill was not satisfactory to me. It was excessively punitive—it appeared to penalize the poor harshly for conditions not infrequently beyond their control. It, like its House counterpart, appeared to be a headlong rush to dump the problem of welfare on State governments, with little concern for the impact on the impoverished or the States or the social fabric of our Nation.

But I'm pleased and relieved to say that, to a considerable extent, the legislative process our Founding Fathers established worked as it was designed. A number of colleagues on this side of the aisle, some on the other side, and I offered a series of amendments designed to transform the bill into a bill worthy of the term ''reform.''

The results of this process confront us today, Mr. President. It is not a perfect bill, not by a long shot. It differs in a number of ways from the bill I would design were I in a position to decree the complexion of our Nation's welfare system.

But in the face of great need to shore up the way in which our Nation deals with its impoverished population, a widespread demand by the public to make major changes in our welfare system, and the social imperative to focus our available resources on moving poor adults into self-sufficiency and provide a path from poverty for poor children, I believe this is a bill that meets the threshold test for acceptability. It turns the corner from a street going the wrong direction onto a street pointing toward our objective.

One has only to look at the alterations made in the bill while it was being considered on the floor.

While the ultimate responsibility for poor people is shifted to the States, the States are required, for the next 5 years, to continue to spend a minimum of 80 percent of the amounts they spent for welfare in past years and 100 percent of the amounts they have spent for child care. The original Dole bill contained no such maintenance of effort requirements.

The original Senate bill contained no funding whatsoever for child care for children of adults required by the bill to seek work. The bill on which we will vote today authorizes $8 billion for this purpose.

The original bill measured its success in moving persons from welfare to work on the basis of participation rates. The bill on which we will vote today will measure actual work.

The original Dole bill raided existing job training funds to include them in the welfare block grants to the States. The bill before us today drops the job training titles, and the Senate will return to address those separately at a later date.

The Dole bill required all adults on welfare to seek work and accept jobs when offered. The bill on which we will vote today exempts mothers of infants less than 1 year old.

The Dole bill made no distinction between women with very young children and women with school-age children. The bill we consider today permits the States to comply with the work requirement if mothers of children under age 6 work a minimum of 20 hours a week.

Mr. President, I am confident this bill will pass the Senate today. I intend to support it. Should this bill, or one substantially like it, become law, it will establish the national laboratory desired by the Governors and legislators of many of our States. The attention will now shift to the States—to see if they can, as they have fervently maintained, achieve economics never realized by the Federal Government, and, in particular, to see if they can move adult welfare recipients into work. I am very hopeful that the advocates—both at the State level and here in Washington—knew what they were talking about and will show themselves to have merited our trust and confidence on these very important matters.

This course is not without risk, but the imperative for reasonable action demands that we take some risk. That is the only way we can leave behind a psychology of dependency and instill a psychology of self-help with temporary, transitional government assistance. It is the only way we can redefine welfare so that, for the able bodied adult population, it means assistance in preparing for, finding, and holding gainful employment. I support these changes in direction; consequently I will vote to pass this bill.

In conclusion, Mr. President, I want to emphasize two key considerations. First, the conference action on this bill will be critical. The safeguards and moderations added to the bill on the Senate floor are vital to my support and that of a number of my colleagues.

I am very hopeful that the conferees, particularly those of the majority party, will keep this in mind, and that they want to enact a bill that has the support from both parties that will be necessary to secure enactment.

Second, if this bill passes today—even if this bill becomes law—no one should prepare to relax. Some of the vexing problems confronting our society are addressed in this bill. But by and large this bill deals with persons who already have been left behind by our society. Its provisions are remedial. The bill does nothing to reach out to this Nation's greatest resource—our children—and provide to them the educational opportunities and the opportunities for participation in positive activities ranging from Boy and Girl Scouts to athletics that will weave them into the fabric of our culture, prepare them to take their place as self-sufficient and psychologically stable adults, and give them an alternative to falling into the activities of the street that can spell alienation, lives of crime, or even untimely death. We have much, much more to do, Mr. President, and this is only the opening chapter.

I commend those who struggled to make this bill more realistic, more humane, and more likely to live up to the grand promises it pronounces. I share the hope of those who vote for the bill that it will, indeed, change the course of public assistance for the benefit of the children and adults directly affected, our communities, our taxpayers, and our Nation as a whole.

Mr. ROTH. Mr. President, the American people are united by the fundamental issues of welfare reform which have divided us throughout much of this debate. It is clear that they have demanded a dramatic change to a system which they view as ineffective and indeed as an impediment to the progress of both the individual and society as a whole. The $387 billion welfare system has sapped the spirit of many, most especially of our young people, and our national economic strength.

It has now been 60 years since the Social Security Act was passed which created the aid to families with dependent children program. According to the act itself, the purpose of title IV of the Social Security Act, is in part, to help maintain and strengthen family life and to help such parents or relatives to attain or retain capability for the maximum self-support and personal independence.

For too many, this is no longer a system which helps to maintain and strengthen family life in America. Many, in fact, believe the welfare system has the opposite effect on families. The theories which supported public policy in the past have been dispelled by the last 30 years of experience. The misplaced hope that Washington could somehow correctly calculate the formula to solve the problems of poverty is simply wrong. What happens in the home, in the neighborhood, in schools and churches is far more powerful than the Federal Government. We have known this all along.

But knowing is different than doing. Today is the day we do something about what we know.

We know that work is necessary to attain self-support and personal independence, Today, we elevate the value of work to its proper level of esteem in public assistance programs. We know that if welfare is to be only a temporary means of support, the key to personal independence is work. We know this basic fact of life is true for all families, at all levels of income. It is true for past generations. It is true for this generation and all future generations. Work is not only necessary as the means for obtaining our daily bread, it is part of our social fabric. Whether in the neighborhood or in the world, work brings order to chaos. Many other freedoms flow from the freedom to work.

We know the current welfare system is designed for failure. Under the heavy hand of the ponderous and paralizing bureaucracy of the Potomac, non one is accountable for results.

Today, we will provide the States with the responsibility and authority they need to break down the barriers and false promises of the present system. Properly understood, welfare reform is about reforming how Government works. The American people will greatly benefit from the rejuvenation of the States' role in our system of federalism. The lines of accountability have been blurred for far too long.

Mr. President, today is the day to leave the past behind. To sum up what this debate is truly about, let me quote from a letter sent last week by Governor Allen of Virginia:

> 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.

Mr. President, I urge my colleagues to put our confidence and faith in the sovereign States. Let us break from the past and free the States and the families who need a temporary hand-up from the system which has failed us all.

Mr. President, there are a number of Members and staff who deserve our recognition and appreciation for moving this legislation forward. Above all, the majority leader has done a masterful job in delivering on the promise of welfare reform. At several points over the past few months, it looked as though a comprehensive bill would slip through our fingers. Once again, he has demonstrated his skills as a true leader.

I congratulate Senator MOYNIHAN on his tireless efforts on this legislation. His knowledge of these issues cannot be matched.

Let me also thank those Senators who did remarkable jobs managing this legislation under very demanding and trying circumstances, especially Senators NICKLES, SANTORUM, GRASSLEY, CHAFEE, HATCH, and SIMPSON.

Few people will understand or appreciate the enormous job done by the staff in helping to get this legislation passed. The bill itself was nearly 800 pages long at the beginning of consideration. We added more than 200 amendments into the process. The staffs from Finance, Agriculture, and Labor Committees as well as from the leadership offices, the Congressional Budget Office, and legislative counsel accomplished a rather remarkable feat. In particular, let me thank and commend Sheila Burke in the leader's office, and Lindy Paull, Kathy Tobin, Rick Grafmeyer and Joe Zummo from Finance for their great efforts and dedication. Other staff members who deserve our thanks are Dave Johnson, Peg Brown, Susan Hattan, and Shannon Royce. From the Democratic side, Margaret Malone, John Secrest, Joe Gale, and Mark Patterson made special contributions to this legislation.

There is still much work ahead of us as some of the details differ between this legislation and welfare reform as passed by the House last March. But the most important test, the strength of our will to break the cycle of poverty, has been met. I look forward to completing our work and to sending real welfare reform to the President.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank the distinguished managers and the Senator from Wisconsin for permitting me to speak for 5 minutes at this point on the welfare reform package. I have been engaged for the past several weeks, almost continuously, with the Ruby Ridge hearings, but I did want to make a few comments and have them printed in the RECORD before the vote.

Mr. President, I think we have passed a reasonable welfare reform package today with overwhelming, bipartisan support. The issue of welfare reform has been one that I have been very much concerned about for many years, having introduced welfare reform legislation going back to the 99th Congress, with Senate bills S.2578 and S.2579, and then in the 100th Congress, with Senate bills S.280 and S.281.

I especially compliment my colleague, Senator SANTORUM, for his outstanding contribution on this bill and all the Senators for working on a bill which has broad bipartisan support—a virtual consensus—of 87 votes in favor of this bill.

I am very much worried, frankly, about the admonition of our distinguished colleague from New York, Senator MOYNIHAN, who has issued the concern, the warning, that we may find

children sleeping on grates. As we have structured this 5-year reform package, we have to be vigilant on that. Certainly, we have seen the development of a homeless class in America as a result of the release of people from mental institutions in the late 1970's without appropriate community support.

I am pleased to see that there have been significant improvements on this bill, characterized by the Congressional Quarterly this week at page 2805, September 16, 1995, commenting about how centrist Republicans have been able to achieve significant results with what you might characterize as the balance of power, coming in with a very strong stand on important matters like child care and maintenance of effort provisions for the States.

The bill did contain a provision, on which I worked from the outset of the welfare reform debate, that would not sanction the benefits of a single, custodial parent with a child under 5 who demonstrated an unmet need for child care.

There were a couple of important provisions where, frankly, I casted a couple of votes I was not happy about but did so in order to set the stage for compromises. One of them was an amendment to fund child care offered by Senator DODD, which was defeated narrowly, 50 to 48. My principal concern for opposing the amendment was a lack of an offset for six of the eleven billion it proposed. But that negative vote was cast in anticipation of a compromise which was later reached, providing for some $3 billion over 5 years exclusively for child care.

The second issue was the maintenance of effort provision, where Senator BREAUX offered an amendment requiring States to maintain 90 percent of their 1994 match on welfare spending for 5 years—the duration of the bill. I opposed the Breaux amendment with the assurance from the managers and the distinguished majority leader, Senator DOLE, that a 80 percent provision on maintenance of effort for the States would be inserted and would be fought for in conference as opposed to the 90 percent provision which would not be retained in conference. As usual, the better is the enemy of the good. I supported the majority leader's position, voted to defeat the Breaux amendment, and we have eight-tenths of the loaf with an 80 percent maintenance of effort.

Senator DOMENICI led a very important battle on the vote to strike the family cap, which was agreed to by a very substantial number, 66 to 34.

So that as we have come to the end of the debate on welfare reform, I think we have a reasonably good bill. Of course, we will all be watching it very, very closely to see what the outcome is from the conference. Beyond the conference report, we will have to maintain a very close vigil over this very important subject to make sure that the prediction and concerns expressed by Senator MOYNIHAN do not eventuate, where we do not find the situation where children are sleeping on grates.

Mr. DOLE. I yield 1 minute to the Senator from Michigan, Senator ABRAHAM.

Mr. ABRAHAM. Thank you, Mr. President.

For 30 years we have tried to fight the war against poverty and after 30 years, poverty is winning that war. We talk about helping children, yet today more people are below the poverty line than when we began the war on poverty—most of them children.

It is hard to argue that the programs that have been in effect are the ones that help children when you see the results of those programs up close, as we do in my State of Michigan. The last few years, through waivers, we had more flexibility in our State and we have been able to address many of the welfare problems much more effectively than any other State in the country.

This bill gives all States the kind of flexibility to deal with these problems the way we are dealing with them in Michigan. I believe it will succeed in moving more people to work and helping more children than the present system possibly could allow.

Mr. President, this bill also addresses, I think for the first time, the illegitimacy problem in this country. It may not go as far as some would like but takes an important first step in that direction. And, above all, I think by requiring tough work sanctions, it finally places the welfare debate, I think, where most persons would like to see it, where people who are the beneficiaries of Federal support and State support perform some type of community service or work in order to make a contribution to the process.

As a result, I think the majority leader deserves great credit for what he has done in 9 short months here. We have really ended business as usual. When we pass this bill today, we will be saying business as usual in welfare is over.

Thank you, Mr. President,

Mr. DOLE. I yield 2 minutes to the Senator from New Mexico, Senator DOMENICI, chairman of the Budget Committee.

Mr. DOMENICI. Mr. President, fellow Senators, first I want to join in complimenting Senator DOLE on putting together a bipartisan bill.

I have been sitting here listening to those who oppose this bill and it seems to me they are talking about a program, talking as if we have a welfare program that works. The problem is, we have a welfare program that does not work. We are not the only ones saying it does not work. About 90 percent of Americans say it does not work.

Why would we keep something that does not work? It would seem to me that we ought to try something new and different.

My second point is a very simple one. We are talking here as if the only one that knows how to take care of poor people is the U.S. Government. As a matter of fact, Mr. President, and fellow Senators, there is no welfare in America unless the States put up money. If the States have decided they do not care about children and they do not care about need, there would be no welfare program in the sovereign States of America.

All we are saying, since they put up the money, at least part of it—half of it or more—let them try to run the program. Some would have us think that that money they will get for 5 years from us they can spend on highways. They have to spend it on those people that are needy in their State.

We are giving them some flexibility to try to do it better. What is wrong with that? Essentially, we are saying to our States, ''You have been paying for a program. We have been telling you how to run it. Now we would like you to run it yourselves.'' And the only way that the ominous predictions of those on the other side who have opposed this would be anywhere close to true is if the States in America, the Governors and the legislators, decide that they are going to purposely ruin the program. And even at that, they cannot spend the money on anything else.

I believe we are going to have better welfare programs, more responsive programs, that people are going to go to work if they are able-bodied—and I stress able-bodied—and I do not think there is anything wrong with that experiment.

It is as noble as the experiment that has failed.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Louisiana.

Mr. BREAUX. Mr. President, I yield myself 2 minutes of the Democratic leader's time.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, my colleagues in the Chamber today should vote for this bill, not because it is a perfect bill, because it is not, but because it is a good start. Some have said this bill is a block grant and for the first time Washington, DC, gets out of the way. My concern is that, being a block grant, it does nothing to solve the problems of welfare reform. It just puts all the problems in a box and mails it off to the States and hopes the State do a good job.

Someone said ''Today, Washington, DC, gets out of the way.'' The original Republican proposal said and allowed for the Federal Government to, perhaps, pay for 100 percent of the costs of welfare reform. That is hardly saying that Washington would get out of the way, but rather that Washington would get stuck with the entire bill for welfare reform.

This bill really does address work. For the first time it says people should go to work within 6 months. Welfare

reform is not about programs, it is about creating good jobs for people on welfare. This bill is a step in the right direction.

Reform should be about taking care of children, and while this bill is not perfect, it provides $8 billion for child care because of the efforts of many of us—my colleague from Connecticut on this side included. When it left the Finance Committee it had zero money for child care. This bill puts $8 billion in it for child care.

In addition, it says the State should do something. That is reform. The Finance Committee bill said the States had to do nothing whatsoever, and that was going to be reform. This bill says the States have to maintain at least 80 percent of what they were doing.

Mr. President, we should pass this bill. It can become a better bill. That is our hope.

The PRESIDING OFFICER. The time of the Senator has expired. The majority leader.

Mr. DOLE. Mr. President, I yield 3 minutes to the Senator from Pennsylvania, Senator Santorum.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the leader for yielding. Mr. President, I want to say, we have come a long way. Having worked on the House task force, 2 years ago, on welfare reform, and having introduced a bill and worked on it diligently since then, I do not think anyone, in as short a time as 2 years ago, would have expected us to pass a bill as dramatic, as progressive, and as focused in trying to create a dynamic system to try to help people out of poverty as we created in the Senate today, and I am proud of the accomplishment.

I want to recognize several people who turned this ship around when it did not look like it was going to sail. First, I thank Senator PACKWOOD from the Finance Committee. He put together the shell of this bill and really did work diligently with Senator Ashcroft and Senator GREGG, two former Governors, in putting together this shell that we then filled in as the process of negotiations off the floor and on the floor continued.

I also thank Senator HUTCHISON. I think, if we had not figured out the financing mechanism, the formulas, this bill would just simply not have been able to sail. She just did yeoman's work in putting that together, and really deserves a lot of credit for moving this bill forward.

For what happened all throughout the process, but particularly at the end, I thank the leader. He really had faith in the process to continue to move it forward, to bring it up when many thought it could not be done. He continued to push forward, finding common ground between the moderates and conservatives, bringing people together, constantly bringing people together to keep moving. Because I think he recognizes, as all of us do, the importance of solving this serious problem for millions of Americans. He deserves a lot of credit for this bill.

This bill is dramatic. You are going to hear reported it does not go as far as the House bill, and this is a minor reform, and they are going to downplay this. All they are going to talk about in the press is how we differ from the House. But I tell you, this bill goes so much father than anyone could have anticipated just a short time ago. It ends the entitlement to welfare. It requires work. It puts a time limit on welfare benefits, which again is a dramatic change in the current system.

I have heard people say we have eliminated the safety net. I do not know what safety net they are looking at, but I tell you, when you see millions of people trapped in poverty for their whole lives, generation after generation, that is not a safety net, it is a fisherman's net. You are trapping people in a fisherman's net, and what we are trying to do is cut back the net so people can climb out, not so people fall through.

That is the difference between what has been proposed in the past and what we are proposing today, and it is dramatic. It is significant. And I can tell you, the difference between the House and the Senate, while it will be played up in the press, is not that significant. What we have are the frameworks of two bills that are very similar. We are going to move in the same direction. I believe, when we get to conference, we will be able to get a bill and I do not think it is going to take as long as people think.

We have a lot of common ground here. We understand it is important to get this bill in for reconciliation and I believe we will do it. I, again, just want to tip my hat to the leader for his tremendous work on this bill. If it was not for him, we would not be here today.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

The Senator from Connecticut.

Mr. DODD. Mr. President, I ask consent to speak for 2 minutes under the leader's time.

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

Mr. DODD. Mr. President, I will be very brief. First of all, let me commend those who have been involved in this debate. We talked about a number of Members here today. Let me point out, as I have on numerous occasions, the distinguished senior Senator from New York, who has forgotten more about this issue than most people ever remember. I commend him and thank him for the enlightenment which he has shed on this particular issue.

Having said that, I am going to vote for this bill. I do so with a high degree of reluctance, as my colleagues know. I think this is a narrow call, but in my view, the product we vote on now is a substantial improvement over what was originally proposed. I say that with all due respect to my friend and colleague from Kansas, the majority leader. There are improvements here. And, it is substantial in its difference over what was passed in the House of Representatives. Of course, there are fundamental differences which may never be resolved over issues such as the entitlement.

But, because of the 20 or so improvements that were made to this bill by amendments offered from people on both sides of the aisle, principally on this side, this is a bill which I think can be supported today. It goes much further than the original proposal, certainly, in the area of child care. There was zero money designated for child care in this legislation at first. My colleagues know that I would have done more in the child care area. I would have liked to have seen as much as $11 billion over 5 years. We ended up with $8 billion over 5 years—still, a substantial improvement.

Let me say to those who will be responsible for moving this product forward, if this bill comes back from the House with any kind of serious retreat from what we have adopted here, then I will stand up and vehemently oppose the legislation and recommend that the President veto the legislation.

This is a bill that, in my view, can be supported. It steps in a direction, and no one can say with absolute certainty where it will take us. I appreciate that. But, clearly, the system does need changing and this proposal offers us that opportunity.

As I have said all the way along, I believe that going from welfare to work is something that ought to be supported. This vehicle gives us the opportunity to do that with the improvements that have been made in it. So, with reluctance, I will support this legislation and await the outcome of the conference.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Wyoming, Senator SIMPSON, a member of the Finance Committee.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I never dreamed, when I came on the Finance Committee, we would be involved with so many vigorous activities. Of course, this was the principal beginning, and now, within these next hours, our committee will meet to decide how to trim some $470 billion from Medicare and Medicaid. And that is a must or else that program will go broke in the year 2002.

Welfare reform is long overdue. We have had 2 weeks of debate on all of the issues. It is time to pass this in a bipartisan way, give these programs over to the States. What we have done before has failed. So change is difficult, but something is very, very wrong with welfare. We know it. The Democrats know it. The Republicans know it. The President knows it. Now is the chance—to have a chance for the States to run these programs with

much less Federal regulation, much more flexibility. They have recognized the needs of so many of us in this body.

I want to commend leader DOLE, BOB DOLE, Senator DOLE, on listening to our concerns, paying careful attention to our needs at every level, every State receiving necessary attention to the things that concern us and, because of his efforts, this is now a bipartisan effort with most Senators voting to support this legislation. He has accommodated many of the Democratic concerns, including much needed child care, State maintenance of effort, and a contingency fund for the States.

I thank him for his efforts. We will wait for the conference report but, hopefully, those of us who have been involved in this one so long know it is better to get a crumb when you cannot get a loaf, in this type of work.

Thank you very much.

Mr. MOYNIHAN. Mr. President, I yield myself the remaining 3 minutes in opposition.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, the word reform means to restore to an earlier good state. Sir, there was no earlier good state of our present welfare system. It began as a widow's pension, a societal transformation program.

In 1988, with the Family Support Act we began to say that welfare cannot be a permanent way of life; it has to be a transition. It has to be an exchange of effort between the society, and the individual caring for children.

A year and a quarter ago on this floor, I introduced S. 2224, the Work and Responsibility Act of 1994. This was the administration's welfare reform measure. I introduced it on behalf of myself and Mr. Mitchell, the majority leader at that time, Mr. BREAUX, Mr. DASCHLE, Mr. DODD, Mr. KENNEDY, and Mr. ROCKEFELLER. It had taken a year and a half to get to it, but it was welcomed, and it was in the tradition that we have upheld for a good 20 years now.

The table of contents sets the tone. Title I, JOBS—job opportunities and basic skills; title II, work; title III, child care; title IV, provisions with multi-program applicability; title V, prevention of dependency; title VI, child support enforcement; title VII, improving Government assistance and preventing fraud; and title VIII, self-employment and microenterprise demonstrations. That was the track we were on. The Family Support Act of 1988, to which this was to be a successor, came out of this Senate floor 96 to 1.

I fear we have lost that tradition. We are ripping out a portion of the Social Security Act today. I fear we may be now commencing the end of the Social Security system.

The one thing not wrong with welfare was the commitment of the Federal Government to help with the provision of aid to dependent children. We are abandoning that commitment today.

Mr. President, I thank the Chair. I thank all concerned.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I ask unanimous consent that both the majority leader and I have each have 10 minutes remaining in the final moments of this debate.

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

Mr. DASCHLE. Mr. President, first let me begin by thanking Senators MIKULSKI, BREAUX, DODD, and MOYNIHAN for the great effort they have put forth to bring us to this point. Were it not for their leadership and their participation, we would not be here today.

I also want to thank the majority leader for his willingness to work with us and address many of the concerns that we have raised during the course of the last several months.

Most of us began this debate with the realization that the current welfare system needs repair. It does not enable people to become self-sufficient. It does not contain the resources to put people to work. It is not flexible enough for many States. It sends the wrong messages to welfare recipients—that work does not pay and that welfare can become a trap.

As a result, most people agree that reform—or whatever term we may want to use to address those problems—be addressed legislatively. We recognize that there is no perfect solution. There is no easy solution. As Senator MOYNIHAN has said, in spite of our best efforts, we have not found one today.

The disagreement really has been about the solution. In the view of most Democrats, the original Republican bill was extreme and misguided. It boxed up all of the current system and shipped it off to the States, saying, ''You do it.'' It was our view that that was not reform.

The bill we have before us today is a better bill. The bill before us today requires that the States provide at least an 80 percent maintenance of effort, and 100 percent maintenance of effort for child care. There is a $1 billion contingency grant fund, and there are no mandates from the extreme right wing.

In our view, the original bill was not about work. In fact, the Finance Committee bill did not even require work. It did not measure work. It only measured what we call participation in the welfare system. No work was required for two years, and in our view that was not reform.

We have a better bill now, a bill reached in agreement over the last several days that measures real work and provides a work bonus when States exceed the goals that we lay out in this legislation. It sets out $8 billion in child care funds, dollars that can only be used for child care and nothing else. It requires 80 percent maintenance of effort from states. It deletes the job training titles that ought to be outside the realm of welfare itself, and provides for them to be addressed in other legislation later on.

It establishes a personal responsibility contract very similar to the parent empowerment contract that was required in the Work First bill. It allows a work exemption for mothers with children under 1, and requires work after 3 months.

Mr. President, we have made very significant improvements in many areas of the legislation that I believe warrant our support today. The original bill hurt children. It included no funds for child care. In fact, many of us originally called it the ''home alone bill'' simply because of our concern for what it meant for children whose mothers and fathers would have to go out and find jobs.

It sanctioned mothers who could not find or afford child care. It allowed 30 percent of the funding under the child care development block grant to be transferred. It included no safety net for children and only a 10-percent exemption to the time limit. And that, in our view, was not reform at all. That is aiming at the mother and hitting the child.

But we have a better bill now, reached in agreement over the last several days—$8 billion in child care: $5 billion as part of the block grant, and $3 billion in additional funding to address the very needs that we have talked about for the last several weeks. One hundred percent maintenance of effort is required on child care. Transfer of funds from the child care development block grant is prohibited. Mothers with children under 6 will not be sanctioned if they cannot find or afford day care.

We gave States the option to allow mothers with children under 6 to work no more than 20 hours per week in lieu of the 35 hours per week that was originally required. We increased the time-limit exemption from 15 to 20 percent. We require teen mothers to stay at home or live in an adult-supervised environment, just as required in the Work First bill. We provide $150 million for second chance homes, and we do not have any mandates that deny aid to teen mothers or impose family caps.

This is a better bill. The original bill was an unfunded mandate of enormous proportion. It provided no funds for child care, even though child care is the linchpin between welfare and work. Although work rates increased from 20 to 50 percent, the CBO originally projected that 44 States would have failed to meet them. There was no contingency grant fund for uncontrollable circumstances.

That is not reform. That is shifting the welfare problem to the States. That is telling local taxpayers that they have to pick up the tab.

But Mr. President, it is a better bill now. Through agreements reached over the last several days, we provide the $3

billion in additional child care money, and $1 billion in contingency grant funds. We passed an amendment offered by the distinguished Senator from Minnesota, Senator WELLSTONE, to revert the Food Stamp Program back to an entitlement if the number of hungry children increases.

It is a better bill now. It is not perfect. It is not the bill I would have drafted alone. It is not the bill that would have passed 5 years ago or perhaps even last year. It does reflect, in my view, the political reality of today. It is the best bill that we are going to get under the circumstances that exist in the caucus, in the Senate, in the Congress, and in the country.

I have a number of reservations about this bill. There were provisions in the Work First bill that I regret were not adopted. I regret, for example, that the bill does not have the vouchers we proposed to address the needs of children after the time limit.

I regret that the bill ends the Federal-State matching responsibility for all those who qualify based on State-set criteria.

I regret the bill does not exempt families from time limits based upon specific criteria like high unemployment or serious disability.

I regret that there is no increased funding, beyond child care, for States to really put people to work.

I regret that the contingency fund is probably underfunded and we will likely have to revisit that issue again in the future.

I regret that the food stamp block grant option was not eliminated. Many food stamp recipients are working poor trying to stay off welfare; similarly, many food stamp recipients are elderly, and their problems will only be exacerbated. I remain concerned about the food stamp block grant choice.

So, as other Senators have indicated, we will be watching what the conference does. We were successful in enacting more than 20 major changes in this legislation, and those changes, Mr. President, are absolutely critical to retaining our support in the future. If the conference bill is not very close to the Senate bill, I will oppose it and I will recommend the President veto that bill when it reaches his desk.

The American people want a welfare system that is truly reformed. The American people want changes, not through rhetoric, but through reality. They want able-bodied adults to work. But they also want children to be protected. Children left home alone is no good for anybody. Arbitrary time limits alone will mean local taxpayers pick up the tab.

We have to ensure that we maintain the broad bipartisan support that final passage in just a few moments will represent. We will be watching the conference closely.

This is the beginning, Mr. President. If we can, indeed, come back from the conference with what we have accomplished in the Senate intact, then I believe it is the beginning of a series of changes over the course of the next several years that can move us to a welfare system that truly will work as we want it to. This cannot be the final word on what happens on welfare this decade. I support this legislation with reservations. I will watch closely as work continues in the conference committee.

I yield the floor.

Mr. DOLE. Mr. President, I thank the distinguished Democratic leader. I thank him for his support and his cooperation in getting us this far. I think we are going to have a display that we have not had recently of bipartisan support for major legislation, which I believe the American people will appreciate.

The Senate began debating welfare reform on August 7, and I predicted in my opening statement we were going to have a lot of contentious votes, a lot of debate, tough votes, and I also said that throughout all the debate we could not lose sight of two overriding facts. No. 1 was that our current welfare system had failed and, No. 2, it was our duty to fix it—talking about the Senate, not Republicans or Democrats.

So we have had about 100 hours of debate since that time, and some of it contentious, and we have now had I think 40 votes; 41 will be the final vote.

My colleagues remember the first week in August we thought we might be able to take up and finish welfare reform. But it appeared we had reached a roadblock after a couple days, and I recall some of the headlines. The media was quick to report that the Senate Republicans had failed and that welfare reform was on its last legs. The media got the story wrong because what is on its last leg in this Congress is the status quo.

Today, I am proud to say that the Senate has kept its promise—no more business as usual, no more tinkering around the edges with a system that has cost American taxpayers $5.4 trillion—that is with a ''T''—in Federal and State spending over the past 35 years. Instead, we are fulfilling our duty. We are not only fixing welfare, we are revolutionizing it. We are writing truly historic landmark legislation, legislation that ends—ends—a 60-year entitlement program. And in the process we are closing the books on a 6-decade-long story of a system that may have been well-intentioned but a system that failed the American taxpayer and failed those who it was designed to serve.

So today we begin to write a new story, a story about Americans who earn a paycheck rather than drawing a welfare check, a story about an America where welfare is no longer a way of life and where people no longer will be able to receive endless Federal cash benefits just because they choose not to work, a story about an America where power is actually transferred away from Federal bureaucrats in Washington and given back to our 50 State capitals and our Governors, Democrats and Republicans, and our State legislatures, Democratic or Republican, a story about an America that recognizes that the family is the most important unit in our society.

Mr. President, there are some in this Chamber, including Senator MOYNIHAN from New York, for whom I have the greatest respect, who believe the story we write today may turn out to be a harsh one. I disagree. I believe nothing could be more harsh on American men and women and children in need than to continue with the system that has failed them year after year after year. And rather than being harsh, I believe the vast majority of Americans agree that the system we create today is fair, it does help those in need and, above all, it is based on common sense.

It is common sense to require welfare recipients who are actually able to work to do just that. It is common sense to put a 5-year lifetime limit on welfare benefits so it does not become a way of life. It is common sense to give our States the flexibility to devise programs that meet the specific needs of their citizens.

I remember what Governor Thompson of Wisconsin told a group of us in my office, speaking to the Governors, that we were talking about mandating Governors, strings, conservative strings in this case, and Governor Thompson said, ''Who do you think we are? We are elected by the same people you are. Do you think I am going to allow somebody to go without medical treatment or without food in the State of Wisconsin?''

It is common sense. It is putting our faith in elected officials who are closer to the people. It is common sense to put a cap on spending because no program with an unlimited budget will ever be made to work effectively and efficiently. It is common sense to require that teenage mothers who have children out of wedlock stay in school and live under adult supervision in order to receive benefits. Otherwise, they have no chance to move off welfare. It is common sense to grant our States the ability to try to reduce our alarming illegitimacy rate.

Mr. President, the American people should know that this legislation is not perfect. It is not going to magically solve all the problems, regardless of how we vote today, whatever the conference vote may be when it comes back. But the Work Opportunity Act does put an end to a failed system. It does offer hope and opportunity to millions of Americans. It is a revolutionary step in the right direction, and it is further proof of the commitment this Congress has made to the American people.

At the risk of forgetting someone, Mr. President, I wish to thank a number of my colleagues on both sides of the aisle who helped make today's victory for the American people possible.

There have been references to my colleagues, Senator BREAUX and Senator DODD and certainly the Democratic leader and others on that side of the aisle. All members of the Senate Finance Committee, including Senator PACKWOOD, who was our chairman when we started this revolution, certainly deserve credit. Senator PACKWOOD put the original bill together, brought it to the floor and we have made changes. Senator HUTCHISON was instrumental in reaching agreement on the formula which kept the bill alive. Senator FAIRCLOTH led the fight for important amendments regarding abstinence education.

I wish to say a special word of thanks to our remarkable freshman class. They sunk their teeth into this issue from day one and never let go. Senators Abraham and Snowe and Ashcroft authored important amendments, and particularly Senator Santorum, who was in the Chamber every day, almost every minute, making certain the debate was moving forward. And he understands the program because he worked on it on the House side. I think he did an excellent job. And I know there are others I may have forgotten. But I thank also America's Governors, Republicans and Democrats—particularly Republicans because I work closely with the Republican Governors, whether it is Governor Voinovich of Ohio, Governor Engler of Michigan, or Governor Edgar of Illinois or Governor Thompson of Wisconsin, Governor Pataki of New York. They worked very closely with us throughout the process and so did State legislators and local governments because they are going to have the authority.

We are going to follow the 10th amendment. We are going to return power to the people, power to the States that the 10th amendment and Bill of Rights say we should.

So we are going to cast our votes in a few moments. It is not the end of the process; as the Democratic leader has indicated, we have to go to conference. We will have to reconcile our differences.

In the Senate-passed bill, I think we save between $65 billion and $70 billion. The House has more savings. About $40 billion of our savings, I think, are under the jurisdiction of the Finance Committee. I think we will iron out the differences we have, and then we will send a historic bill to the President of the United States, who has indicated, at least preliminarily, he will sign the bill.

I hope he will join with this Congress and the American people in writing a new chapter in the history of this great Nation.

As I listened to the debate and I listened to the Senator from Illinois and the Senator from Minnesota, I regret that they believe we are going to punish America's children. I disagree with that, because I believe we are creating a better opportunity for our children in this legislation, a future of more hope and more opportunity.

All of us come from different places in our lifetime. We have different backgrounds. Many come from hard-scrabble backgrounds and some not so hard scrabble. I can recall a long time ago in my family, in the small town of Russell, KS, when every member of the family worked. There were four children. Both my mother and father worked.

I can remember a time, even in those days, because of the Dust Bowl and a lot of other things that were happening, we could not make ends meet. We moved into the basement, six of us, and rented out the upstairs so we could make ends meet.

I think all of us can go back into our lives and say we had it tough. I remember coming to the Congress and working with Senator George McGovern from South Dakota on the Food Stamp Program, the WIC Program, and a lot of other programs that I believe protect children, contrary to what the Senator from Minnesota may have indicated.

I also can think back to the days when I was a county attorney in my small county of Russell County. One of the responsibilities of the county attorney in those days in my State was to sign every welfare check that left the office. In a small county, you know everybody who received those checks. In fact, it was old age assistance at the time. I knew two of them, my grandparents, who were caught up in the Dust Bowl days, in the dust storms and who had no other recourse but to seek help.

So I think when we vote on this bill, we should understand that, obviously, some are going to be in need and they are going to be taken care of and they are going to be young and old. But it is our hope that what we have demonstrated here, based on a lot of hearings and a lot of debate, is that we want to help people move out of this cycle of welfare, generation after generation, back in the mainstream, working, regaining their dignity and their self-esteem. That would be the goal of any welfare reform plan that I can think of.

So I know how tough it is for some people to accept assistance, and I have always had the view that people want to work. If given the opportunity, they will work. We call our bill the Work Opportunity Act of 1995. It is not going to be perfect but, in my view, it is a big, big step in the right direction.

I urge my colleagues on both sides of the aisle to vote for this bill. It is a big, big step in the right direction. The American people, by a vote of 88 percent, said this is the way they want to go, and I hope we will follow their lead.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that Senators vote from their desks and that their vote be announced.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall the bill pass, as amended?

Mr. DOLE. I 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 clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

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

The result was announced—yeas 87, nays 12, as follows:

[Rollcall Vote No. 443 Leg.]

YEAS—87

Abraham	Exon	Lott
Ashcroft	Feingold	Lugar
Baucus	Feinstein	Mack
Bennett	Ford	McCain
Biden	Frist	McConnell
Bingaman	Glenn	Mikulski
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Breaux	Gramm	Nickles
Brown	Grams	Nunn
Bryan	Grassley	Packwood
Bumpers	Gregg	Pell
Burns	Harkin	Pressler
Byrd	Hatch	Pryor
Campbell	Heflin	Reid
Chafee	Helms	Robb
Coats	Hollings	Rockefeller
Cochran	Hutchison	Roth
Cohen	Inhofe	Santorum
Conrad	Inouye	Shelby
Coverdell	Jeffords	Simpson
Craig	Johnston	Smith
D'Amato	Kassebaum	Snowe
Daschle	Kempthorne	Specter
DeWine	Kerry	Stevens
Dodd	Kohl	Thomas
Dole	Kyl	Thompson
Domenici	Levin	Thurmond
Dorgan	Lieberman	Warner

NAYS—12

Akaka	Kerrey	Moynihan
Bradley	Lautenberg	Sarbanes
Faircloth	Leahy	Simon
Kennedy	Moseley-Braun	Wellstone

NOT VOTING—1

Hatfield

So the bill (H.R. 4), as amended, was passed.

Amend the title so as to read: ''An Act to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.''.

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. DOLE. Mr. President, I ask unanimous consent that the Senate insist on its amendments and request a conference with the House, and the Chair be authorized to appoint conferees.

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

● Mr. PACKWOOD. Mr. President, I would like to take this opportunity to praise the magnificent work of the people on the Senate Finance Committee, majority office, and in my personnel office who were at the core of my welfare reform team and who helped develop and reach a consensus on much of the historic welfare reform legislation that has passed the Senate today.

These individuals have been working tirelessly and at length this entire year with me and with other Senators, crafting policy that ends the broken welfare system as we currently know it. The reforms will help our Nation's poor develop self-respect, train them for jobs, lessen the burdens on the hard working taxpayers of this country, give our Governors the greater flexibility they have been asking for, and leave the safety nets of aid and nutrition in place for families, for the elderly and for the disabled. Well deserved praise and my thanks to Lindy Paull, Rick Grafmeyer, Kathy Tobin, Joe Zummo, and Rob Epplin of the Finance Committee, and Marcia Ohlemiller and Ginny Worrest on my personal staff.●

Mr. LAUTENBERG. Mr. President, I would like to take a few minutes to tell my colleagues why I voted against the Dole welfare reform bill.

Mr. President, we live in the greatest Nation on earth. We are the wealthiest country in the world. But it is clear that some in our society do not share in this wealth. They are poor. They are jobless and in some cases homeless. And they must rely on public assistance to survive. In America, this is unacceptable. And we should be committed to improving their lives.

Mr. President, there is no question that the current welfare system needs reform. But the central goal for any welfare reform bill should be to move welfare recipients into productive work.

This will only happen if we provide welfare recipients with education and job training to prepare them for employment. It will only happen if we provide families with affordable child care. It will only happen if we can place them into jobs, preferably in the private sector or—as a last resort—in community service.

But the Dole bill is not designed to help welfare recipients get on their feet and go to work. It's only designed to cut programs—pure and simple.

It's designed to provide funds so that Republicans can provide huge tax cuts for the rich. That's what's really going on here.

Unfortunately, Mr. President, the radical experiment proposed in this legislation will harm our society while producing defenseless victims.

Those victims are not represented in the Senate offices. They're not here lobbying against this bill. They don't even know they're at risk.

The victims will be America's children. and there will be millions of them.

Mr. President, the AFDC Program provides a safety net for 9 million children. These young people are innocent. They did not ask to be born into poverty. And they don't deserve to be punished.

These children are African-American, Hispanic, Asian, and white. They live in urban areas and rural areas. But, most importantly, they are American children. And we as a nation have a responsibility to provide them with a safety net.

The children we're talking about are desperately poor, Mr. President. They're not living high off the hog. These kids live in poverty.

Mr. President, it's hard for many of us to appreciate what life is like for the 9 million children who live in poverty and who benefit from AFDC.

I grew up to a working class family in Paterson, NJ, in the heart of the Depression. Times were tough. And I learned all too well what it meant to struggle economically.

But as bad as things were for my own family, they still weren't as bad as for millions of today's children.

These are children who are not always sure whether they'll get their next meal. Not always sure that they'll have a roof over their heads. Not always sure they'll get the health care they need.

Mr. President, these children are vulnerable. They're living on the edge of homelessness and hunger. And they didn't do anything to deserve this fate.

Mr. President, if we're serious about reforming a program that keeps these children afloat, we won't adopt a radical proposal like the Dole bill. We won't put millions of American children at risk. And we won't simply give a blank check to States and throw up our hands.

Mr. President, this Republican bill isn't primarily a policy document. It's a budget document.

Mr. President, if the Republicans were serious about improving opportunities for those on welfare, they would be talking about increasing our commitment to education and job training. In fact, only last year, the House Republican welfare reform bill, authored in part by Senator SANTORUM, would have increased spending on education and training by $10 billion.

This year, by contrast, the bill before us would cut education and training dramatically, with the bill's total cuts exceeding $65 billion.

So what's changed? The answer is simple. This year, the Republicans need money for their tax cuts for the rich.

Mr. President, shifting our welfare system to 50 State bureaucracies may give Congress more money to provide tax cuts. But it's not going to solve the serious problems facing our welfare system, or the people it serves.

To really reform welfare, Mr. President, we first must emphasize a very basic American value: The value of work.

We should expect recipients to work. In fact, we should demand that they work, if they can.

Of course, Mr. President, that kind of emphasis on work is important. But it's not enough. We also have to help people get the skills they need to get a job in the private sector. I'm not talking about handouts.

I'm talking about teaching people to read. Teaching people how to run a cash register or a computer. Teaching people what it takes to be self-sufficient in today's economy.

We also have to provide child care.

Mr. President, how is a woman with several young children supposed to find a job if she can't find someone to take care of her kids? It's simply impossible. There's just no point in pretending otherwise.

Unfortunately, the Dole bill doesn't address these kind of needs. It doesn't even try to promote work. It doesn't even try to give people job training. It does little to provide child care.

All it does is throw up its hands and ship the program to the States. That's it.

Mr. President, that's not real welfare reform. It's simply passing the buck to save a buck. And who's going to get the buck that's saved? The people the Republicans really care about: Those who are well off.

Mr. President, the Senate did adopt the leadership amendment that made some improvements in the Dole bill. This amendment increases funding for child care, limits State cuts in welfare to 20 percent, and includes a $1 billion contingency fund.

Mr. President, I commend the Senators who crafted these improvements. But they do not change the basic design of the bill, which remains deeply flawed.

This bill would take away the safety net we established for poor children 60 years ago. It does far little to move recipients from welfare to work. And, when you get right down to it, it's main effect will be to take from the poor so that Congress can give a huge tax cut for the rich.

This was a historic vote, Mr. President. And I fear we are making a bad situation even worse. I only hope I am proved wrong.

I yield the floor.

Mrs. MURRAY. Mr. President, the Senate voted to approve welfare reform legislation by a vote of 87–12 this afternoon. I have spent weeks thinking about my vote on this issue, and today, after listening to people on all sides of this issue, including my family and my colleagues, I reluctantly cast my vote in favor of the Dole bill, as amended. In my brief tenure here in the U.S. Senate, this was one of the most difficult votes I have cast. Mr. President, I would like to explain why.

From the beginning of the welfare reform debate, my No. 1 concern has been about finding a way to rebuild American families. I have always believed we can only do that by emphasizing

real personal responsibility, providing adequate child care for both working poor and welfare families, and ensuring our children can count on help from adults.

It has been my hope that we could achieve some positive changes to the current system. If there is one thing everyone can agree on, it's that the current system is flawed. It needs fixing, and I vowed to support reform. My challenge has been to influence that reform in the most constructive direction possible.

As someone who came to the Senate during the 1992 election year, I know we cannot continue to do things the way we always have. We must take a hard look at the sum total of our Government programs, and rework them to accurately reflect society's strengths, weaknesses, and needs.

We entered the debate with two bills, the Dole version and the Daschle Work-First bill. I cosponsored and voted in favor of the Daschle bill. I supported it because I felt it was the right place to start. It reflected a genuine commitment to helping poor families move up and into the work force.

Unfortunately from my perspective, a majority in the Senate rejected the Daschle bill. But I didn't give up there. I and others began devoting our energies to improving the Dole bill.

First, we offered an amendment to require full funding, and full protection for child care and children's programs. It would have provided the full $11 billion estimated by the Department of Health and Human Services to be necessary to meet child-care needs. Again, this amendment was narrowly defeated, 50–48.

Given the closeness of this vote, Senators DOLE and DASCHLE were able to reach a compromise that strengthened the Dole bill, but fell short of our original amendment. It includes provisions which: require States to maintain their welfare spending at a minimum of 80 percent of current levels; strike the job training title—which had no business in a welfare bill to begin with, establish a contingency grant fund to take care of States in times of economic downturns, and provide a total of $8 billion for childcare services nationwide. I support this compromise, though I feel ultimately we will have to do more.

Following the child-care debate, I cosponsored an amendment to establish greater protection for victims of domestic violence. I believe domestic violence to be the single, most destructive force against families in America today. No one, not the Senate, the President, or anyone else, can place a value on the price paid by mothers and their children attempting to survive an abusive household. This time the Senate agreed, and my amendment was adopted unanimously.

Having worked hard to improve the Dole bill, I found myself faced with a very difficult decision. I could either vote against the Dole bill based on its shortcomings for children, or I could vote to affirm the improvements we made to it.

I believe the Dole bill to be deeply flawed. I believe it draws into question the welfare of poor children throughout the Nation. But I also believe we have to start somewhere. The current system needs to be changed, and the Dole bill changes it fundamentally. Therefore, I voted yes.

Mr. President, change of any kind always involves risk. We will never know how great that risk is until we try something different. What we do know, however, is that change brings new responsibility.

We do not know whether this bill will make it into law. If it is enacted, we don't know if it will work. It may prove a fabulous success, or it may only prove to make problems worse for the poor.

But today, we have created a grave new responsibility for this Senate: to be watchdogs for our children. More than ever before, all Senators have an obligation to make the law work in favor of poor children, All Senators have a responsibility in the future to consider the successes and failures they have created this day, and to be prepared to make changes later if things don't work out.

The most unfortunate part of this debate, in my opinion, is that people don't think of children when they think of welfare. People think of dependency, complacency, poverty, and all the worst stereotypes. This troubles me because it is children who face the most difficult struggles. It is children who are most deserving of our care.

The outcome of this debate does not change one iota this basic fact: we need a national commitment to children in this country. I believe this to the very core of my being.

Children are under assault every single day in this country. In their homes, in school, on the streets, and yes, in this Congress. We see it in cuts to education and dismantling of crime prevention. We see it in Medicaid cuts, defunding of AmeriCorps, and elimination of student loans.

Today, I voted for change, to try something new. But I also took responsibility to live with that change, ad to work even harder promoting a broad, national commitment to our children. Mr. President, I urge my colleagues to accept that responsibility with equal sobriety, and with equal vigor.

The outcome today was not in doubt. Nor is this the end of the debate. There will be a conference committee. We may even debate a conference report. More likely, we will see this bill again in the budget reconciliation yet to come.

I think we can change welfare for the better, and move more people into the work force. I look forward to working with you, Mr. President and all my colleagues, to this end; but also to build a stronger commitment to children. We must do this in welfare reform, and across the whole spectrum of issues we consider this session. The future is simply too important. And unlike before, it is our new responsibility.

Thank you, Mr. President. I yield the floor.

CHANGE OF VOTE

Mr. ROCKEFELLER. Mr. President, on rollcall 440 I voted aye; my intention was to vote no. I did not know it was a tabling amendment.

I ask unanimous consent that I be permitted to change my vote, which in no way will change the outcome of the vote.

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

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1976) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

The Senate continued with the consideration of the bill.

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

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

EXCEPTED COMMITTEE AMENDMENT ON PAGE 83, LINE 4, THROUGH PAGE 84, LINE 2

Mr. COCHRAN. Mr. President, what is the pending business, I inquire of the Chair?

The PRESIDING OFFICER. The pending question is the committee amendment on page 83 of the bill.

Mr. COCHRAN. Mr. President, 4 minutes remains to be debated on the amendment before we conclude debate on this subject?

The PRESIDING OFFICER. The Senator is correct.

Mr. PRYOR. Mr. President, there is not order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, for the information of Senators, 4 minutes remain in debate time on this amendment. We have agreed Senator BOXER will use the first minute and the managers 2 minutes and then Senator BOXER will close the debate for the remaining 1 minute.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I hope my colleagues will listen to this because it is such a common sense issue.

If I were to tell you that hot is cold and cold is hot, you would think I was kidding. And if I told you that freezers keep things warm and ovens keep things cold, you would think I had lost it. And then if I told you that chicken frozen to 1 degree was fresh you would question my brain capacity. And yet, every day in America's supermarkets, our consumers go in and buy chicken products, turkey products—they are marked fresh and they are hard as a rock. They are as low as 1 degree. And the Food Safety and Inspection Service finally has remedied that by saying if you are going to put a label on it, it has to reflect the condition of the product; fresh is fresh; frozen is frozen.

The committee amendment would stop that rule from going into effect. So I am going to move, at the appropriate time, to table that amendment.

They are going to tell you this is a parochial issue. It is not. It is a consumer issue. Every consumer organization thinks this rule should go into effect. I hope Senators will vote to table the committee amendment.

I reserve my 1 minute to close this very intriguing debate.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Mississippi.

Mr. COCHRAN. I yield 1 minute to the distinguished Senator from Arkansas [Mr. BUMPERS].

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, this is one of those issues that if you look at it you would think the California Senators had the high ground. They do not.

In 1992 the California Poultry Association went to the California legislature and said, ''We cannot compete. We have to do something.'' These chickens are coming in here at 26, 27, 28 degrees, which they have been for decades. They are not frozen hard. We are not talking about zero degrees. They said, ''We cannot compete.''

So the California Legislature adopted a rule which a Federal court promptly ruled out of order because we had preemption on it. So what happened? They go to the Agriculture Department. The rule we are talking about is exactly what the California Legislature passed.

I want to tell you this, we have shipped—Southern and Southeastern States have shipped billions and billions and billions of poultry all over the United States. Not just California, everywhere. One complaint, from the California Poultry Federation. They do not even want to allow you a 2 to 3 percent plus or minus allowance. It is the California Poultry Federation bill.

The PRESIDING OFFICER. The Senator has used 1 minute.

The Senator from Mississippi.

Mr. COCHRAN. I yield myself the remainder of the time.

It is clear from the evidence that this is an effort to protect California poultry producers from competition from outside the State. There is no doubt about it.

Somebody asked me a while ago, they said, ''I do not understand this. Are we being told that if something is frozen that it is not fresh?'' The point is, the Food Safety and Inspection Service has concluded, somehow, that fresh is the opposite of frozen. Fresh is the opposite of stale or unfit for consumption or something that does not taste good.

The fact of the matter is, this poultry is being sold in California that is being processed in Mississippi or Arkansas, Louisiana, Oklahoma, Virginia, Delaware—Senator BIDEN talked about his industry there. We would not be able to see our poultry processors ship any poultry into the California market because of this rule. The rule as promulgated is that it has to be at no less than 26 degrees, flat 26, no variance, no exceptions. Think about a truck going across the country to California and you have to maintain that exactness.

There is going to be a patrol of inspectors waiting on you from California to see if you have met these strict rules? They need to reexamine it. The amendment says no funds will be used to enforce this regulation until they review it. That is what we insist upon.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from California.

Mrs. BOXER. Mr. President, I heard my colleague mention California 13 times. I find it amusing. It was under the Bush administration that this truth in labeling started, in 1988; in 1988. This is a consumer issue and finally we have a chance to make sure that our people who walk into supermarkets, who take care of their families, who buy poultry, will know what they are getting. They know the fat content now. They know how much calcium is in a product now. They know how many minerals are in a product, how many calories are in the product, how much protein is in the product. They only thing they do not know is if a product has been previously frozen.

Sometimes they take it, throw it in the freezer, defrost it again, which is bad. It is a bad thing to do for the health of their families.

This is a consumer issue and the consumers are watching us. That is why every consumer group is on our side and says, ''Please, vote to table the committee amendment.''

The fact of the matter is, this is simple common sense. You can turn it around, you can say ''California'' 22 times—it does not change the fact. Fresh is fresh. Frozen is frozen.

All time has expired, so I move, at this time, to table the committee amendment.

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 occurs on the motion to lay on the table the committee amendment on page 83, line 4 of the bill.

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 Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 38, nays 61, as follows:

[Rollcall Vote No. 444 Leg.]

YEAS—38

Akaka	Feingold	Mikulski
Baucus	Feinstein	Moseley-Braun
Bingaman	Glenn	Moynihan
Boxer	Gorton	Murray
Bradley	Graham	Packwood
Bryan	Harkin	Pell
Chafee	Kennedy	Reid
Cohen	Kerrey	Sarbanes
Daschle	Kerry	Simon
DeWine	Lautenberg	Snowe
Dodd	Leahy	Thompson
Dorgan	Levin	Wellstone
Exon	Lieberman	

NAYS—61

Abraham	Frist	McCain
Ashcroft	Gramm	McConnell
Bennett	Grams	Murkowski
Biden	Grassley	Nickles
Bond	Gregg	Nunn
Breaux	Hatch	Pressler
Brown	Heflin	Pryor
Bumpers	Helms	Robb
Burns	Hollings	Rockefeller
Byrd	Hutchison	Roth
Campbell	Inhofe	Santorum
Coats	Inouye	Shelby
Cochran	Jeffords	Simpson
Conrad	Johnston	Smith
Coverdell	Kassebaum	Specter
Craig	Kempthorne	Stevens
D'Amato	Kohl	Thomas
Dole	Kyl	Thurmond
Domenici	Lott	Warner
Faircloth	Lugar	
Ford	Mack	

NOT VOTING—1

Hatfield

So, the motion to lay on the table the excepted committee amendment on page 83, line 4 through line 2, page 84, was rejected.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion to table was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2688, AS MODIFIED

Mr. COCHRAN. Mr. President, as I understand it, the pending business is the Brown amendment to the committee amendment.

The PRESIDING OFFICER. The Senator is correct. Under the previous order, the Senate will proceed to consideration of the Brown amendment No. 2688, on which there shall be 60 minutes under the control of the Senator from Alabama [Mr. HEFLIN], and 30 minutes under the control of the Senator from Colorado [Mr. BROWN], with a vote on or in relation to the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the pending

amendment be temporarily laid aside so that I can offer an amendment on behalf of Senator BINGAMAN which has been agreed to on both sides.

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

AMENDMENT NO. 2693

(Purpose: To reduce the energy costs of Federal facilities for which funds are made available under this act)

Mr. BUMPERS. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for Mr. BINGAMAN, proposes an amendment numbered 2693.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from the average previous three fiscal year levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the Secretary of Agriculture (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved: and

(C) specify the actions that resulted in the reductions.

Mr. BINGAMAN. Mr. President, I rise today to commend the two floor managers of the bill, the distinguished Senator from Mississippi, Senator COCHRAN, and the distinguished Senator from Arkansas, Senator BUMPERS, and their staff, for their excellent and efficient management of the fiscal year 1996 Appropriations Act for the Department of Agriculture.

I would like to take a few moments to discuss an amendment I am offering on this appropriations bill. My amendment encourages agencies funded under the bill to become more energy efficient and directs them to reduce facility energy costs by 5 percent. The agencies will report to the Congress at the end of the year on their efforts to conserve energy and will make recommendations for further conservation efforts. I have offered this amendment to every appropriations bill that has come before the Senate this year, and it has been accepted to each one.

I believe this is a commonsense amendment: the Federal Government spends nearly $4 billion annually to heat, cool, and power its 500,000 buildings. The Office of Technology Assistance and the Alliance to Save Energy, a non-profit group which I chair with Senator JEFFORDS, estimate that Federal agencies could save $1 billion annually if they would make an effort to become more energy efficient and conserve energy.

Mr. President, I hope this amendment will encourage agencies to use new energy savings technologies when making building improvements in insulation, building controls, lighting, heating, and air conditioning. The Department of Energy has made available for government-wide agency use streamlined energy saving performance contracts procedures, modeled after private sector initiatives. Unfortunately, most agencies have made little progress in this area. This amendment is an attempt to get Federal agencies to devote more attention to energy efficiency, with the goal of lowering overall costs and conserving energy.

As I mentioned, Mr. President, this amendment has been accepted to every appropriations bill the Senate has passed this year. I ask that my colleagues support it.

Mr. BUMPERS. Mr. President, this is an amendment that requires the Department of Agriculture to use essentially a 3-year base for energy uses and requires them to cut their energy use by 5 percent.

Mr. COCHRAN. Mr. President, we have reviewed the amendment, and we have agreed to it with some modifications being made to the amendment by the Senator from New Mexico. We urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2693) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

AMENDMENT NO. 2688, AS MODIFIED

Mr. HEFLIN. Mr. President, is the pending business the Brown amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. HEFLIN. I yield such time to Senator NUNN, of Georgia, as he may consume.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Georgia.

Mr. NUNN. Mr. President, I rise to oppose the Brown amendment No. 2688, which would prohibit the outlay of any Federal funds for salaries and expenses of U.S. Department of Agriculture employees who carry out the peanut program.

I know the Senator from Colorado and the Senator from Alabama and the Senator from Georgia have spoken on this amendment. It is my hope there are going to be some changes in the amendment.

I speak to the amendment as it now exists. Mr. President, I oppose the Brown amendment on three basic grounds. No. 1, while well-intentioned, I am sure the amendment is poorly drafted. No. 2, even if the Brown amendment was drafted correctly, it singles out the administrative cost of the peanut program and raises questions that are beyond the scope of the bill, and No. 3, the Brown amendment preempts the legislative process and, I think, would undermine a very serious effort by a bipartisan group of Senators who are working for reform in the authorization bill to greatly lower, if not eliminate, the cost of the price support program from the agriculture budget.

First, let me speak to the language of the amendment. The amendment has two basic sentences. The sentence No. 1 says:

None of the funds made available under this act may be used to pay the salaries and expenses of USDA employees who carry out a price support or production adjustment program for peanuts.

And then No. 2:

Assessment.—The Secretary of Agriculture may charge producers a marketing assessment to carry out the program under the same terms and conditions as are prescribed under section 108B(g) of the Agriculture Act of 1949.

Mr. President, as I read this amendment, this means that an Agriculture Department employee who might spend 1 percent of his or her time administering the peanut program and 99 percent of his or her time administering the cotton or the CRP program or other programs will not receive any salary.

The amendment says that no funds may be used to pay salaries and expenses of anyone who runs the peanut program, period. It does not say ''unless that money is reimbursed.'' That is what the second sentence implies, but that is not the way the amendment reads.

Even if a peanut grower paid the portion of the salary of a CFSA employee who administers the peanut program, that person, under a literal reading of the Brown amendment, could not receive a Federal salary at all for administering other commodity programs—

cotton, feed grains, CRP program, and others.

The peanut program is run by county employees of Consolidated Farm Service Agency, and these same employees administer the other programs in the Department of Agriculture. So if read literally, as I think any interpretation would have to read it, the Brown amendment could terminate the operation of every Federal farm program in every county where peanuts are grown. Again, I do not think that is what the Senator from Colorado means, but that is what the amendment says.

Second, the Brown amendment singles out peanut producers to pay for the administrative costs of their own program. Notwithstanding the Brown sense-of-the-Senate amendment adopted yesterday on tobacco, no other group of producers has been asked to pay for the administrative cost of their program.

Furthermore, the other American groups, like bankers, do not pay for the cost of administering the banking program, the FDIC program and many other programs.

If we are going to do this, it ought to be done on a broad basis and not simply for one commodity. Why not do it for the feed program, sugar, dairy, and so forth? If this kind of reform is going to be undertaken, and there may be some merits for it, it would imply a much broader set of reforms going far further than the Department of Agriculture and really encompassing our entire Federal Government. That is not to say that the support price of it should not be addressed, and I am sure it is going to be addressed in the reform bill that is now occurring.

Finally, this amendment preempts the legislative process. Later this week, the Senate Agriculture Committee, I understand, will begin marking up commodity titles for the 1995 farm bill which will be part of the reconciliation bill. The Brown amendment, as I view it, would undermine a very serious effort by a number of Senators who are working for reform of the program in the authorization bill.

Peanuts are grown in 72 of Georgia's 159 counties. Yesterday, the junior Senator from Georgia, Senator COVERDELL, noted that in 75 percent of those counties, the poverty rate exceeds 20 percent. If we make an unreasoned and abrupt change, rather than an evolutionary change, in the peanut program, the economies of these counties will be hit very, very hard. That means that farm workers, not just landowners, will be deeply affected, as well as small and rural communities.

The top two peanut-producing counties in Georgia are Worth County—I believe that is the birthplace of our good friend from Alabama, Senator HEFLIN—and also Early County. In 1993, 9.71 percent of the population of Worth County received aid to families with dependent children benefits and 19.4 percent received food stamps. In Early County, 13.38 percent of the population received AFDC benefits; 28.9 percent of the population received food stamps.

Mr. President, no question about it, farming and the peanut program are vital to these economies. Nevertheless, peanut producers have not circled the wagon and said they are against all change. They have not rejected cost reductions. Indeed, peanut producers are working with Senators on both sides of the aisle toward a sound, workable program that will eliminate the taxpayers' cost of the overall support program. I do not believe we want to send a signal that a process like that will be thrown out the window by an amendment to the appropriations bill.

I concur with the Senator from Colorado that Government expenses ought to be eliminated from the peanut program to the greatest extent possible. I know that my colleagues, Senator COVERDELL, Senator COCHRAN, and Senator HEFLIN also generally agree with this sentiment.

I also agree with the Senator from Colorado that the program must be reformed to reflect new challenges and new opportunities presented by both the NAFTA Agreement and the GATT Agreement, but the amendment by the Senator from Colorado does not help in that regard. I think it impedes progress for real reform. Many in the peanut program did not support GATT or NAFTA, but these major trade programs passed, and they have been enacted into law. I voted for them.

We are now working through the farm bill to make sure the peanut and other programs reflect these new realities. This amendment would short circuit that process. NAFTA and GATT will require peanut producers to face new realities. They understand that. Our authorizers in the Agriculture Committee are working on orderly, but effective, reform of the peanut program.

Mr. President, I am a cosponsor of the bill, S. 1155, the Agriculture Competitiveness Act of 1995, which was introduced by Senator COCHRAN last month. This legislation eliminates the cost of the price support program to the U.S. Treasury. The Senator from Colorado mentioned that the peanut program cost $120 million last year. I agree with him that that cost has to be driven down. As I understand S. 1155, these costs would be eliminated over a period of time under that bill.

Mr. President, I am particularly proud of the leadership of Georgia's peanut growers in supporting legislation that will eliminate the costs of the price support program. The peanut title in S. 1155 is a real reform measure. It delivers real savings to the Government—$96 million in fiscal year 1997, according to the Congressional Budget Office.

In closing, Mr. President, let me reiterate that I agree with the Senator from Colorado that the costs of the peanut price support program to the taxpayer should be eliminated. I also agree with him that with the enactment of GATT and NAFTA, the program must reflect the realities of foreign competition. I am confident that under the leadership of Senators HEFLIN, COVERDELL, and COCHRAN, the Senate will produce peanut legislation that meets both of those goals. But the Brown amendment undermines this process.

I urge that the amendment of the Senator from Colorado be defeated. Unless it is substantially redrawn, I hope it will be defeated. It is my hope, after talking with the Senator from Alabama and the Senator from Colorado and others, that there may be some redrafting underway.

I yield back any time I have remaining that was yielded to me by the Senator from Alabama, and I thank him for yielding me the time.

Mr. WARNER. Mr. President, I rise today in opposition to the amendment offered by the senior Senator from Colorado.

The Agriculture Committee, of which I am a member, has been working diligently over the past several months to craft the 1995 farm bill. I have been working closely with other members of the committee to craft a bill that will achieve the cost savings necessary to reach a balanced budget, make our farm programs more market oriented, and ensure the continued success of the American farmer.

We have nearly reached that goal. As I am sure you are aware, there exists disagreement over the future of farm policy. But members and staff of the Agriculture Committee are working to forge a consensus.

Last month, I was pleased to join with six of my colleagues on the Agriculture Committee, including the Senator from Mississippi, to introduce the Agricultural Competitiveness Act of 1995. This bill sets forth our vision for the future of agriculture. Part of our consensus rests on the peanut program.

My colleagues and I on the committee have set forth a reformed peanut program that will operate at no cost to the taxpayer—none. We have outlined a program that will contribute upwards of $400 million towards deficit reduction and our ultimate goal of achieving a balanced budget. And we have championed a plan that will ensure the continued success of the family farmer, to ensure that he will be there producing the highest quality, safest, and most abundant food supply in the world.

All parties recognize the need for reform. And we all know that the budget is driving the debate over agriculture. So, I commend my colleague from Colorado for his contribution to the cause.

But as my colleague from Mississippi mentioned yesterday, we are crafting a comprehensive farm bill, one that will address farm policy in a coherent, unified manner. And that is a goal I believe we will have achieved, when all is said and done.

But we cannot address farm policy in a piecemeal manner on an appropriations bill, singling out not just farmers, but one type of farmer—our peanut farmers—to bear an extra burden.

Let me speak to that burden. This amendment is nothing more than a tax on farmers. During my travels around the State and my discussions with Virginia farmers, one message is delivered: Reduce the regulatory and tax burden on the farmer. This amendment does the opposite.

In addition, this amendment singles out one type of farmer: the peanut farmer. Now, I know the calls to reform this program have been heard. As I have said, in the Agriculture Committee, we are working on a reformed peanut program.

But some insist on attacking the farmer wherever they can. Appropriations is not the vehicle for setting farm policy—particularly when it's bad farm policy.

The Federal Government administers numerous programs. I see no reason why peanut farmers should be singled out for what is nothing more than another tax. If we are going to proceed with this policy, then let's apply it across the board, and make everyone pay for the incidental administrative expenses associated with their programs. But let's not just single out one group of farmers.

Reasonable people will disagree about the future of farm policy. But this is the very debate we are undertaking in the Agriculture Committee.

This is a battle for another day. I urge my colleagues to oppose this amendment.

Mr. BROWN. Mr. President, I yield myself such time as I may consume.

Mr. President, I thank the distinguished Senator from Georgia, Senator NUNN, and also Senator COVERDELL for their helpful comments in this area. It is clearly an area they are very knowledgeable in, as well as the distinguished Senator from Alabama, who has been very helpful in this regard.

The Senator from Georgia is right when he says the normal job of dealing with this is in the authorizing committee. I have served in Congress now for 15 years—10 of it in the House and the remainder here in the Senate—and through that entire period of time, I would find it difficult to name a single time when the authorization bill was really on the floor and available for markup in either body. It may have been because of what was going on when I was in each particular House. But in the House of Representatives when it came up, there were restricted rules.

Frankly, what happens is reform in this area is difficult to come by because it is difficult to author. Why do you need reform? For this reason: This program hurts the consumers of America. The world price of peanuts runs in the neighborhood of $350 a ton. Members will appreciate that it varies, as any commodity price does. But the established target price under the marketing control program here is $678. In other words, the price that American consumers pay for the domestic consumption is nearly double the real price. If somebody said you are going to pay double for this commodity what anybody else in the world pays, I do not think you would necessarily think they were consumers' friends.

This program clearly hurts consumers. This program hurts producers, too, Mr. President. How can that be? It hurts producers even though the program allows producers to produce other than products for the target price maintained under a special loan program. Even though it does allow them to produce additional peanuts that can be sold worldwide or inventoried to meet future quotas, what it does do is lead to the export of this industry.

This is a relatively new adjustment, but let me explain why I think it is so important that this be noted and that people understand why this program, as currently configured, does hurt producers. Under the new GATT market rules, access to the U.S. market has increased. Now, in the past, we could maintain a higher price in the world market because we had a protected market, because we not only restricted producers' ability to sell in the domestic market, but we restricted foreign competitors from selling under the U.S. rules.

Under the new GATT rules, foreign producers will gain greater access to the U.S. market. As that happens, it will be very difficult to maintain the target prices, and the cost of the program will skyrocket. Members want to do something about that.

Secondly—and this is perhaps the most important of all—it ought to be noted—this is, I think, quoted from Government sources, but I will quote it because I think it is so important here: ''However, future imports of peanut products from Mexico under NAFTA are exempt from this quota.'' There are some exceptions.

Mr. President, what that means is, with NAFTA, we have let the Mexicans produce peanuts and sell them into our markets. They have not produced as big quantities in the past as they will in the future. They are rapidly expanding production in Mexico, and that will come out of United States production, because they will have access to our protected market. They will have the benefit of the significantly higher prices, even though they are not part of our program directly.

What is happening right now is processors of peanuts are trying to decide as to whether they pick up their processing equipment and move it to Mexico. If they do, they accommodate the vast expansion of competition for us in Mexico, and incidentally, they reduce our ability to process and maintain an industry here in the States.

So whether we want to deal with this or not, we are being forced to. Having signed the trade agreement under NAFTA, we have new competition in Mexico, and that Mexican competition can produce peanuts at world prices, and those prices can dramatically undercut what we have in this program. Unless we act to change the program, we will drive much of this industry overseas.

It is a shame because American farmers are the best in the world. They are the most efficient, productive, and creative, and they are some of the hardest working people anywhere on the globe. To lose an industry that we do not have to lose because we cling to an out-of-date, above-market-price program would be a tragedy; it would be a tragedy for the good farmers and for this country's competitiveness.

Mr. President, I am sensitive to the argument that was so eloquently made by the Senators from Georgia and Alabama and other Members who have spoken on the floor about this. I think they are right when they say the best way to draft these reforms is in committee. I do not want this moment to pass without having this body go on record that we ought to at least address that and that it ought to be part of the consideration of a new farm bill.

So, Mr. President, at this point, in an effort to move the body forward, I would like to offer for consideration for the Senate a compromise that I believe has the approval of Members on both sides, which assigns this task of redrafting this area to the committee. But it puts the Senate on record of doing exactly what this original amendment was intended to do, and that is to add an assessment that goes to the people who enjoy the benefit of the program, have that assessment be big enough to cover the administrative costs.

Having stated clearly in this bill that it is the sense of the Senate that we should do that, I think it gives a strong foundation for the authorizing committee to do just that when they reauthorize this program and reconsider the changes that need to be made in it.

AMENDMENT NO. 2688, AS FURTHER MODIFIED

Mr. BROWN. Mr. President, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment, as further modified, is as follows:

At the appropriate place, insert the following:

''It is the Sense of the Senate that the current nonrefundable marketing assessment for the peanut program should be amended to direct that the current assessment is utilized in a manner to help defray the cost of the peanut program, particularly to cover all administrative costs of the peanut program, including the salaries and expenses of Department of Agriculture employees who carry out the price support or production adjustment program for peanuts.''

Mr. BROWN. I believe this amendment is approved by both sides. It says this:

It is a sense of the Senate that the current nonrefundable marketing assessment for the

peanut program should be amended to direct that the current assessment is utilized in a manner to help defray the cost of the peanut program, particularly to cover all administrative costs of the peanut program, including the salaries and expenses of the Department of Agriculture employees who carried out the price support or production adjustment program for peanuts.

Mr. President, at this point, I yield to the distinguished Senator from Pennsylvania.

Mr. SANTORUM. I thank the Senator. I thank him for his original amendment, which I think is in the right direction, I think, reducing this cost to the Government. He recognizes this as someone who sees this program as really a flawed, but futilely flawed program—not fatally, but futilely, as in ''futilism.'' He recognizes this is a much bigger issue than just the administrative costs. We are talking about literally millions or more dollars to the consumers of America in paying more for peanuts.

I think the key point, I think that Members who may not be familiar with the peanut program, the key point that the Senator from Colorado pointed out is that this system is doomed to fail. It cannot be sustained because of what is going to happen with NAFTA and with other trade agreements.

Mexico is in the process right now of planting more peanuts. They come into this country without the restrictions in place. They are going to replace growers here in this country, which means of course that we will be paying more money here at the Federal level to maintain that target price.

I think it is a system that if you talk to peanut growers and people who hold the quotas, as the Senator from Colorado pointed out, 70 percent of the quotas are held by people who do not grow peanuts.

It is a feudal system. You do not have to grow peanuts to own these quotas. To allow you to grow peanuts you basically have this passed down from your grandfather or great-grandfather. You hold and you collect all this money for someone else to grow peanuts on their land.

As I said, feudal system best describes it. Seventy percent are owned by people who do not farm the land. They are the ones getting rich on this program. They are the ones making all the money on this program. They are the ones running the ads that say, boy, you cannot touch the peanut program. I would not either.

I have a lot of peanut quota holders in Pennsylvania who do not like what I am doing, but I have a lot of jobs leaving the State of Pennsylvania from Hershey's, which just moved a plant to Mexico because of the sugar problem, which is another thing we need to talk about.

Peanuts is another problem. We lost jobs to Canada and other places in the confection industry, and by the hundreds.

If we were benefiting small farmers who are trying to grow their patch, that is one thing, but these are large quota interest holders who simply are making money because their granddaddy was around at the time they were passing them out.

I think that is not what our tax dollars should be used for. It is destroying the market. It is costing consumers literally billions of dollars a year.

The Senator had a very modest amendment. I agree with his modification in the sense that this should be worked out by the Agriculture Committee. It should be worked out in the reconciliation bill and in the farm bill.

We had meetings, as I am sure the Senator from Colorado did, today we had meetings in the Agriculture Committee on the Republican side and we will continue to meet to see if we can work out something to address this program, save the taxpayers' dollars and save the consumer money in peanut butter costs downstream.

I appreciate the Senator from Colorado who has really been a stalwart on this issue, who has been out here fighting this battle. I am a recent joiner of his forces. I want to congratulate him for coming to the floor, offering this amendment, keeping the pressure on the committee, keeping us moving forward so we can get rid of this system which is simply indefensible under any kind of budget restrictions.

I yield back the time of the Senator from Colorado.

Mr. HEFLIN. It is my understanding Senator DOMENICI desires to speak. Since this was worked out I did not intend to make a speech, but there have been certain statements that I do not want to leave that are erroneous.

No. 1, the peanut program does not have a target price and does not have a subsidy. It has a loan rate. Historically, the loan rate has every year been substantially lower than the price paid to the peanut farmer for his peanuts.

Historically over 10 years, the peanut program has averaged only $13 million a year in cost to the U.S. Government. It varies as to what may happen at various times.

In regard to the savings of the consumer, there was a GAO study that indicated that there could be savings to the first purchaser of peanuts.

In testimony before the Agriculture Committee of the House the GAO representative who was there testifying made a distinction between the first purchaser and the final consumer, and he went on to say that in the study they contacted the manufacturers and asked them, ''Will the savings be passed on to the consumer?'' The answer was ''Well, we may develop new products and have a different promotional program.''

There have been many studies over the years that have shown that as the price of peanuts goes up and down they are not passed on to the consumer. Purdue University has conducted two such studies and have traced over the history what the price has been.

I just wanted to make those statements. I can go into much more detail and make a further statement and speech but I see Senator DOMENICI is on the floor.

I yield 2 minutes.

Mr. DOMENICI. Mr. President, I might ask that chairman of the committee, as I understand it, Senator BROWN has changed his amendment to a sense of the Senate.

Mr. COCHRAN. The Senator is correct. Senator BROWN is on the floor and has modified his amendment substantially.

Mr. DOMENICI. Mr. President, let me say to Senator BROWN, it is a little known fact that New Mexico is a peanut grower. We all know about the South, but New Mexico grows a rare peanut called Valencia peanuts. They are a little bit different than peanuts grown in your State, Senator HEFLIN, or in Georgia.

Our program does not cost any money, and I understand that reconciliation is going to look at all the farm bill and all the commodity programs and in the process they will look at the peanut program, which would include New Mexico and a piece of Texas of the Valencia peanuts, and the industry is committed to a program that has no cost to the Federal Treasury.

As I understand it, Senator HEFLIN, that is not just what the Valencia peanut industry is saying but the peanut industry at large is committed to working out a bill in reconciliation with no cost to the Federal Government.

That is all I wanted to say. With that interpretation I assume we are not seriously opposed to this sense-of-the-Senate proposal that the distinguished Senator from Colorado offers.

I want to thank the Senator for leaving the issue—the real issue of how they go about doing that—to the Committee on Agriculture in the Reconciliation Act.

I was going to argue on your first amendment that you were not really saving money but I do not want to do that now. The truth of the matter is you would not have been, so maybe I will just say it.

Actually, unless you were willing to reduce the caps, that money would be spent by some other committee somewhere else. I was going to make that point, but you were judicious and amended it before we had to come down and do that.

I yield the floor.

Mr. BROWN. Mr. President, I want to thank the Senator from New Mexico for being enlightened, and I hope he has not given up on that task because I suspect that effort will be needed again.

I simply add to the RECORD, Mr. President, information included by the Congressional Research Service on this subject because we talked about the costs of the program.

CRS reports that in 1983 to 1986 the program averaged a cost of $9.9 million a year; in the periods of 1987 to 1991 the program averaged a cost of $15.5 million; more than a 50-percent increase;

the period of 1992 to 1996, the program averaged $54.8 million a year, which is 3.5 times what it was in the previous period.

As we have noted, the program last year appears to be in the neighborhood of $120 million. CRS says $119.5 million is their estimate. That is not a finalized figure.

Mr. President, the other point that I think is important, that the real cost of this program is not what it costs the taxpayers, which is significant and growing dramatically. It is what it costs the consumers of America, which CRS indicates may be in the neighborhood of $300 million to $500 million a year.

It is clear this is an area that merits reform. I appreciate my colleagues pointing out the proper role of the authorizing committee here. I hope we will make progress on it. Since we have reached agreement on the revised amendment, I believe Members will be comfortable in voting on this by voice. A rollcall vote will not be necessary.

Mr. COCHRAN. Mr. President, if the Senator would yield for a response, the amendment now is acceptable, I am told, on both sides of the aisle.

I understand, too, that the yeas and nays had been ordered but that we can vitiate the yeas and nays and no rollcall vote would be necessary.

If there is no objection, I ask unanimous consent that the yeas and nays be vitiated.

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

Mr. COCHRAN. I suggest to Senators who have time under the agreement if we yield back all time we can vote on the amendment on a voice vote.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I yield such time as I have.

Mr. HEFLIN. Mr. President, I yield back what time I have.

The PRESIDING OFFICER. All time having been yielded back, and no one wishing to speak on this amendment, the question now occurs on the Brown amendment, No. 2688, as modified, to the committee amendment on page 83, line 4 of the bill.

The question is on agreeing to the amendment.

The amendment (No. 2688), as modified, was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

VOTE ON COMMITTEE AMENDMENT, ON PAGE 83, LINE 4 THROUGH LINE 2, PAGE 84, AS AMENDED

The PRESIDING OFFICER. The question now occurs on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. COCHRAN. I move to reconsider the vote by which the committee amendment was agreed to.

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

The motion to lay on the table was agreed to

The PRESIDING OFFICER. The Senator from North Dakota.

PRIME TIME TELEVISION—THE NEW FALL TV PROGRAM LINEUP

Mr. CONRAD. Mr. President, I would like to bring the attention of the Senate an article entitled ''Sex and Violence on TV'' from the most recent issue of U.S. News & World Report—September 11, 1995. The article reviews television network programming for the upcoming fall TV season. I am particularly troubled by the direction of the networks. The lead in the article describes the season as ''to hell with kids—that must be the motto of the new fall TV season.'' The article suggests that the family viewing hour—the 8 p.m. to 9 p.m. period—is dead, and that sex, vulgarity and violence rules prime time.

Tom Shales in his review this weekend of fall television network programming in the Washington Post makes similar observations. He remarked, ''vulgarity is on the rise. Sitcom writers make big bucks coming up with cheap laughs. Buried in the dust of competition is the old family viewing concept that made the 8 p.m. hour—7 p.m. on Sundays—a haven from adult themes and language.''

As my colleagues are aware, earlier this summer, the Senate and House of Representatives debated at length the issue of television violence as part of the telecommunications bill, S. 652 and H.R. 1555. Both the House and Senate bills include provisions requiring that new television sets be equipped with technology to permit parents to block television programming with violent, sexual or other objectionable content. The measure also encourages the development of a voluntary rating system by the television industry, a system that would enable parents to make informed decisions about television viewing for their children.

Mr. President, with all the attention focused on television violence over the past few months—including a recent pledge by my distinguished colleague senator ROBERT DOLE to clean up television and movies—it is astonishing that television networks are promoting a fall TV season that demonstrates so much disregard for the wishes of American families and the clear majority of the House and Senate. American people want television networks to develop programming with considerably less violence, sexual and indecent content. The new fall television schedule is a tragedy.

Time and time again, I, and members of the Citizens Task Force on Television Violence have been told by the media that Government intervention to reduce violent and objectionable television programming is not necessary. We were assured that the media will act responsibly. The networks argue that the technology for parents to block programming and a rating system for programming are not necessary.

Mr. President, the U.S. News & World Report's review of fall TV programming suggests otherwise. It is regrettable that the networks are demonstrating such disregard for the wishes of American families. The UCLA Center for Communications Policy's Network Violence Study released earlier today confirms some of these continuing concerns regarding violent programming. The UCLA study points out that while some programming shows improvement in the overall reduction of violence, the study identified serious problems regarding the level of violence in theatrical films on television, on-air promotions, children's television and the lack of parental advisories. I urge the American public to let their Senators and Members of the House of Representatives know their views on programming for the upcoming fall TV season, and to express strong support for the v-chip legislation when it is considered by the House-Senate Conference on the telecommunications bill. I ask unanimous consent Mr. President, that the text of the article from the U.S. News & World Report be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. CONRAD. Mr. President, I just want to conclude by saying the evidence is, really, overwhelming. I have been working on this issue for 5 years. I have put together a national coalition that involves church groups, law enforcement, all of the children's advocacy groups, the principals of America, the teachers, the National Education Association, group after group after group who have said, ''Enough is enough. Let us reduce the mindless, repetitive violence that is on television. Let us reduce that objectionable sexual content. Let us have television realize the promise that it offers the American people, to uplift, to educate, to inform.'' That is what our society desperately needs.

And over and over the networks have told us, ''Be patient, just wait. We are going to act.''

Now, we have the fall schedule and we can see how hollow those promises are. Over and over we have been told, ''We are going to do better. We are going to reduce the level of violence. We are going to reduce other objectionable content.''

Mr. President, they have not kept the promise. I call on my colleagues to stand fast. We passed here, by 73 to 26, the ''choice chips'' that will permit parents to decide what their children are exposed to. That is the appropriate response.

I, once again, call on the networks to take action to keep their promises and, hopefully, to support this legislation that will provide ''choice chips'' in new television sets so parents can choose;

so parents can decide what their children are exposed to.

EXHIBIT 1

[From U.S. News & World Report, September 11, 1995]

SEX AND VIOLENCE ON TV

(By Marc Silver)

The family hour is gone. There's still a splattering of guts in prime time, but the story of the fall lineup is the rise of sex. Will the networks ever wise up?

To hell with kids—that must be the motto of the new fall TV season. You want proof? Look at the network lineups. Many of the wholesome sitcoms that once ruled the 8 p.m.-to-9 p.m. hour have gone to the TV graveyard, replaced by racier fare like ''Cybill'' and ''Roseanne.'' As a *Wall Street Journal* news story put it in a recent headline, ''It's 8 p.m. Your Kids Are Watching Sex on TV.''

Vulgarity also rules in the first hour of prime time. In ''Bless This House,'' an 8 p.m. CBS show starring shock comic Andrew Clay as a blue-collar dad, the mom accuses her 12-year-old daughter of ''spend[ing] all morning staring at your little hooters.'' Chatting with a promiscuous chum who's said to be so eager for sex that she'd ''do it on the coffee table,'' the mother wonders, ''My God, don't you ever get your period?''

Say goodbye to the ''family hour,'' the 8 p.m.-to-9 p.m. period ABC, CBS and NBC once reserved for you and the kids, and say hello to the Fox in the henhouse. The success of sexually frank programs like the Fox network's ''Beverly Hills 90210'' at 8 p.m. has uncorked a wave of me-tooism in the quest for a young (but not too young), hip and urban audience. As Alan Sternfeld, an ABC senior vice president, says of shifting ''Roseanne'' and ''Ellen'' to 8 p.m.: ''We get reimbursed by advertisers when we deliver adults 18 to 49.''

Despite the outcry over TV violence this year, it is the rise of sex on TV that is the real story of the fall lineup. Some media critics are pointing to moralistic plots on shows like ''ER,'' ''Roseanne'' and ''Seinfeld'' as evidence that network TV is becoming as wholesome and earnest as *The Little Engine That Could*. But that's just a small part of what's happening in prime time.

''A lot of Hollywood says, 'If you criticize us about violence, then let's have some good, wholesome sex at 8 p.m.,'' says Lionel Chetwynd, a prominent writer, director and producer who has worked in TV for 20 years. ''The idea that family viewing includes some sense of sexual propriety doesn't seem to have sunk into the Hollywood community.''

Chetwynd sees a defensive reaction from his colleagues. They complain that they're an easy target, and also believe that only someone on the far right could possibly be upset by sex on TV. But that's not so. Plenty of ''lifestyle conservatives''—a term coined by film critic Michael Medved—are fed-up viewers despite their moderate or liberal political views.

Those lifestyle conservatives have plenty to grouse about. A groundbreaking study by Monique Ward, a postdoctoral fellow in education at the University of California at Los Angeles, tracks and analyzes sexual content in the 1992–93 prime-time shows most popular among youngsters 2 to 12 and 12 to 17. On average, 29 percent of all interactions involved sex talk of some kind. ''Blossom'' at 58 percent and ''Martin'' at 49 percent led the pack. Sex is most often depicted as a competition, a way to define masculinity and an ''exciting amusement for people of all ages,'' Ward found. Looks are everything. In an episode of ''Blossom,'' a teenager's grandfather says of a blind date: ''In case she's a dog, I can fake a heart attack.'' Ward's study will appear in the October *Journal of Youth and Adolescence*.

Then there's soap-opera sex, talk-show sex chatter, sex crimes on the news—how do kids process all that? Little academic work has been done in this area. Yet, researchers are moving ahead gingerly, and certain conclusions are emerging. In a study of how middleclass teenage girls react to sex in the media, Jane Brown, a professor in the school of journalism and mass communications at the University of North Carolina at Chapel Hill, identified three types of viewers: sexually inexperienced teens who find the whole thing ''disgusting'': ''intrigued'' girls who ''suck it up,'' buying into the TV sex fantasy, and ''critics,'' who tear irresponsible sexual messages to shreds. ''but the media are so compelling and so filled with sex, it's hard for any kid, even a critic, to resist,'' says Brown. ''I think of the media as our true sex educators.''

Kids agree. This year, Children Now, an Oakland, Calif., advocacy group, polled 750 children ages 10 to 16. Six out of 10 said sex on TV sways kids to have sex at too young an age. Some shows to promote teenage abstinence or conversations about the consequences of sex, but that's the exception. One suggestion endorsed by Douglas Besharov, a scholar at the conservative-leaning American Enterprise Institute: Force TV honchos to show their products to their spouses, kids and parents.

Murder at 8 p.m.—Violence also is barging into the early evening this fall. Fox's ''Space: Above and Beyond,'' a 7 p.m. sci-fi spatterthon, features flamethrowers, stun guns and, for nostalgia buffs, a crowbar and a noose of chains. ''John Grisham's The Client,'' an 8 p.m. CBS drama, serves up two corpses and two bloody, on-screen murders in the first 15 minutes. That's more grist for politicians on the warpath about TV violence.

The ''V-chip'' is currently a favorite solution. Both houses of Congress have supported legislation requiring that new TV sets come with a chip enabling parents to block violent programs. The technology is a snap. Deciding which shows deserve a ''V'' for violence is the problem. The networks aren't eager to cooperate. A government committee raises the specter of censorship, along with thorny questions—for example, would violence in ''M*A*S*H'' be in the same category as shootings in ''The Untouchables''?

In any event, the V-chip is a few years away. In the interim, children will see thousands of violent acts on TV. A study by the American Psychological Association figures that the typical child, watching 27 hours of TV a week, will view 8,000 murders and 100,000 acts of violence from age 3 to age 12. (Of course, that wouldn't apply to fans of ''Mister Rogers' Neighborhood'' or sitcom viewers.)

An upcoming report by the UCLA Center for Communication Policy sees some improvements on the TV-violence front. ''The networks know what the public is looking for,'' says Jeffrey Cole, director of the center, which was hired by the networks to conduct what is arguably the most thorough review ever of violence in prime-time media. Looking at nearly 3,000 hours of television, the report concludes the overall level of violence is dropping.

Bloody promos.—But gratuitous violence is on the rise. ''All violence is not equal,'' says Cole. ''Context is everything, and in some instances, violence is unwarranted and not helpful to the plot. Some movies and made-for-TV movies about crime are just vehicles for violence.'' Promos for violent shows are especially prone to ''condensed violence'' with no context.

Hollywood isn't convinced that media mayhem inspires the real thing. ''When I was little, I went to the movies every week and saw violent cartoons and two or three Westerns in which the entire Sioux nation was massacred by the cavalry,'' recalls Steven Bochco, creator of ''NYPD Blue.'' ''I never had a question that what I was watching was make-believe, because I was raised by a family that gave me a moral compass.''

On the other side of the debate stand 1,000-plus studies establishing links between TV violence and the way people behave in real life. In a 1970 study at Pennsylvania State University, psychologist Aletha Huston and a colleague regularly showed cartoons of fist-flying superheroes to one group of 4-year-olds and bland fare to another. Among kids in both groups known to be above average in aggressive behavior, those who saw the action heroes were more likely to hit and throw things after watching. Nor do the effects of TV violence fade after childhood. Psychologist Leonard Eron of the University of Michigan's Institute for Social Research has tracked 650 New York children from 1960 to the present, looking at viewing habits and behavior. Those who watched the most violent television as youngsters grew up to engage in the most aggressive behavior as adults, from spouse abuse to drunk driving.

The flaw in Bochco's argument, Eron says, is that not all homes have a moral compass. Besides, no one's saying that all violence is inspired by television. One estimate, based on an analysis of 275 studies by George Comstock, S. I. Newshouse professor of public communication at Syracuse University, is that perhaps 10 percent of antisocial and illegal acts can be linked to TV. ''But wouldn't it be great if we could reduce the occurrence of violence in this nation by 10 percent?'' asks Eron.

Family fare?—Fans of family TV won't find much to cheer about in the fall 1995 season. ''More channels doesn't mean more choices,'' says Kathryn Montgomery of the Center for Media Education, an advocacy group in Washington, D.C. In fact, one of the best family dramas on television, CBS's ''Christy'' was canceled this spring despite a slew of awards. ''Christy,'' the story of a young teacher in backwoods Tennessee in 1912, had superb writing and acting—and lovely lessons about life with nary an ounce of schmaltz or sex, violence or swearing. The audience of about 10 million weekly viewers was ''fairly substantial and intensely loyal,'' says David Poltrack, executive vice president of research and planning for CBS. But the young adults whom advertisers crave weren't watching in force, so ''Christy'' got the ax. Reruns will air on the Family Channel on Saturdays at 7 p.m. starting in October.

Since most new network shows weren't designed with a family audience in mind, Warner Bros. new WB network is trying to fill the 8 to 9 p.m. void with ''family friendly'' fare. On the menu this fall: a fairly clever carton called ''Steven Speilberg Presents Pinky & the Brain'' on Sundays at 7 p.m., about a smart lab rat trying to take over the world, and supposedly wholesome sitcoms that are, in fact, generally mediocre and occasionally offensive. In ''Kirk,'' the lame tale of an older brother who assumes custody of three siblings, the younger brother brags of peeping into a nearby apartment and seeing a beautiful woman in a ''Wonderbra and nothing else.'' Turns out the gal is a guy, even though he has ''girl things.''

Raunchy family fare is nothing new. In an episode of CBS's ''The Nanny,'' a returning show that pitches itself to kids with promos during cartoons, the nanny comes home

drunk and mistakenly stumbles into bed with her cold-ridden boss. The next day, neither can recall if they had sex. ''We try to do a sophisticated 8 p.m. show,'' says ''Nanny'' Co-executive Producer Diane Wilk. ''We wouldn't want to put anything on the air we wouldn't want our children to see.'' Counters Debra Haffner, president of the Sexuality Information and Education Council of the United States: ''I wouldn't let my 10-year-old daughter watch. 'The Nanny'—or practically any other prime-time show—without me, so I can discuss the sexual messages with her.''

Smart TV.—On Saturday mornings, network cynicism is symbolized by ABC's canning of ''Cro,'' one of the few genuinely educational cartoons around. ''Cro'' wasn't the greatest show ever produced by the Children's Television Workshop, creators of ''Sesame Street.'' But it managed to tuck science lessons into the adventures of a prehistoric tribe and did win its time slot last season. ABC says the show ''underperformed.'' As ''Cro'' bowed out, an animated version of the movie *Dumb and Dumber* joined ABC's Saturday lineup. ''This is beyond irony,'' says Reed Hundt, chairman of the Federal Communications Commission. '' 'Dumb and Dumber' is a description of this decision, not just a title.''

PBS still has a fine roster of educational fare. But ''Ghostwriter,'' a popular show for ages 6 to 11 that stresses reading skills in the mysteries it weaves, will have no new episodes, just reruns. Corporate money dried up for the series, and two commercial networks weren't interested in new episodes for Saturday mornings. ''Wishbone,'' a new PBS daily series, debuting October 9 and aimed at the same age group, is a strong breed. The eponymous star is a terrier who imagines himself in literary works like *Romeo and Juliet*. The dog is appealing, yet a purist might wonder if this is the best way to introduce kids to great literature.

But ''Wishbone'' is a gem compared with Disney's new, allegedly educational syndicated series ''Sing Me a Story: With Belle.'' To keep costs down, Disney is recycling old cartoons with new didactic voiceovers. In one episode, the lesson is: Friends are good, friends are good, friends are good. The live-action host is Belle, star of *Beauty and the Beast*.

Nonetheless, Disney could be the salvation of family-friendly television when it takes over ABC. Dean Valentine, president of Walt Disney Television and Television Animation, predicts the glut of adult-oriented 8 p.m. shows will provide an opening for something different. ''In the next year or two, the hit shows will be family programs from Disney at 8 p.m.,'' he says.

Parents don't have to just sit and wait for better TV. Public outrage can play a role in reforming the media—that's why Calvin Klein decided last week to pull controversial ads for jeans depicting young people in various stages of undress. Then again, few have lost money being crass in the vast wasteland.

A GUIDE TO MEDIA LITERACY—WHAT TV-SAVVY PARENTS CAN DO TO HELP THEIR KIDS

As TV gets wilder and wilder, more parents are opting to junk television altogether. Those not ready for this drastic step can find solace in media literacy—the art of deconstructing television. Schools in Canada have taught media literacy for years, explaining to students that programs exist to deliver an audience to advertisers, that sex and violence sell and that TV news isn't all the news that's fit to air—it's more likely the news that gets the best ratings. American schools are just beginning to catch up. Here are six key precepts for a crash course at home.

1. Rethink your image of TV.—Newton Minow, former chairman of the Federal Communications Commission, suggests imagining a stranger in your house blathering on to you and your children about sex and violence all day long. No one dares interrupt or tell the stranger to shut up or get out. That stranger is your TV set.

2. Keep a diary.—Ask your kids how much TV they think they watch. Then have them write down everything they watch for a week. Parents might do the same. Both generations may be shocked by the results. A reasonable goal for kids: two hours a day. Several primers help with this and other steps: *The Smart Parent's Guide to Kids' TV* by Milton Chen (KQED Books, 1994, $8.95); ''Taking Charge of Your TV,'' from the National PTA and the cable-television industry (free copies from 800–743–5355 or *http://www.widmeyer.com/ncta/home.htm* on the Internet); and guides from the Center for Media Literacy (call 800–226–9494 for a free catalog).

3. Be choosy.—You wouldn't stroll into a library and pick up the first book, and you shouldn't just turn on the TV and watch whatever's on. Media literacy mavens suggest choosing a week's worth of programs in advance. Sorry, no channel surfing.

4. Watch with them.—Unless parents are confident that a show is safe for youngsters (rarely the case these days), they should watch with their kids, then talk about controversial content. Sample queries: ''Why was that the lead story on the news?'' ''Could a cop really be back at work a week after being shot in the chest?'' ''When the star of the sitcom decided to have sex with a woman he just met, should she have suggested that he use a condom?''

5. Just say no.—And also why—which means you first need to watch the series in question. ''My daughter, who's 11, wanted to see 'Married . . . With Children,' '' says Karen Jaffe of Kidsnet, a children's media resource center in Washington, D.C. ''I said no. I don't like the way the parents talk to the kids or the kids talk to the parents.''

6. Media literacy isn't a cure-all.—No child can be immunized against all the bad stuff on TV. So parents (and children) need to make their objections known. Letters to the local station, with a copy to the local newspapers and the FCC, can carry weight, especially if you use the words feared by TV executives: ''failing to serve the public interest'' and ''doesn't deserve to have its license renewed.''

DOES KIDS' TV NEED FIXING?

Officials are debating whether to toughen the Children's Television Act: Should they require stations to air more quality kids' programming?

The Children's Television Act is either the last best hope for children's programs or an irksome symbol of how government meddles where it shouldn't. Enacted in October 1990, the act requires local stations to meet the ''educational and informational needs of children'' to renew their licenses. The act's supporters want to strengthen its terms by requiring, among other things, that a specific number of hours be devoted to children's programming; its critics say Uncle Sam has no business regulating a local station's schedule.

Pro:

Without government intervention, the television industry will not produce enough quality children's programming.

Broadcasters must serve the public.—They use spectra owned by the public and it's only right that their work benefit the public interest. ''The law requires that broadcasters uphold public-interest standards regardless of the share of 18-to-49-year-olds that they capture for advertisers,'' said Federal Communications Commission Chairman Reed Hundt in a recent speech.

Children need an advocate.—Federal courts have already recognized that government has a role in protecting kids' interests that extends beyond the constitutional protections of free speech. One recent decision affirmed that role when it upheld the FCC's regulations restricting ''indecent'' programming to certain hours.

Broadcasters cut corners.—The children's Television Act vaguely defines educational as furthering ''the positive development of the child in any respect.'' Broadcasters love that loophole. The Center for Media Education says some station license renewal applications have listed cartoons like ''Casper'' and ''GI Joe'' as educational. The definition of the word educational must be firmed up so that shows airing prior to 7 a.m. should not qualify and local stations are required to air a certain number of hours per week.

Threats of regulation bring results.—When presidents threaten to regulate the television industry, more educational shows are produced for children. Former ABC children's television chief Squire Rushnell has charted the relationship: Richard Nixon and Gerald Ford both advocated that there should be more educational children's programming or else the government would insist on it. As a result, the networks averaged almost 10 hours of such programming per week by 1975. By the end of Jimmy Carter's term, in 1980, the total was up to 11¼ hours. By 1990, after Ronald Reagan's tenure, it dropped to 1¾ hours. (Broadcasters dispute Rushnell's counting methods.)

Con:

While there is industry support for the Children's Television Act, the free market does a good job of creating quality shows without government edicts.

Strict regulations violate free speech.—When government tells broadcasters how much children's educational television they should produce and what time slots they should use for such programs, the First Amendment rights of those broadcasters are violated. ''It takes away the discretion of the broadcasters,'' says Jeff Baumann, general counsel for the National Association of Broadcasters.

Government cannot make children watch ''educational programming.''—If TV producers have to scramble to produce educational shows to fulfill a requirement, the result will be a spate of mediocre programs that won't capture the imagination of children.

Broadcasters have responded to the act.—FCC Commissioner Rachelle Chong points out that since the act took effect, children's educational fare has increased from about one hour per week to three hours on average. She believes that broadcasters are getting the message about educational fare and plans to follow up with broadcasters who promise her that the trend will improve. Quantitative guidelines should be ''our last resort.''

The free market works.—Cable stations like the Disney Channel, the Learning Channel and Nickelodeon and several satellite and online services have all come into being to serve children (though 36 percent of American homes do not have cable). With new players entering the entertainment business, the choices for children will only increase. ''If there's a program niche there, the marketplace will find it,'' says Ben Tucker, president of Retlaw Broadcasting and chairman of government relations for the CBS affiliate's advisory board.

The PRESIDING OFFICER. The Senator from Connecticut.

THE STATE OF TELEVISION TODAY

Mr. LIEBERMAN. Mr. President, I am, again, glad to join my colleague from North Dakota, Senator CONRAD, in commenting on the state of television today. I do not know that the Conrad-Lieberman review of the fall television season will rival Siskel and Ebert's review of movies. But I would say Senator CONRAD and I are quite clearly saying we give this fall TV season two thumbs down. That is, really, what I want to talk about today.

Three months ago this body voted overwhelmingly, on a bipartisan basis, in support of V-chip—or C-chip, C for choice—legislation that Senator CONRAD and I initiated. With that vote we said, in effect, that too much of television in America today has become so wild, so vulgar, so morally repugnant that it has actually become a threat to our children, a threat from which they need protection.

As Senator CONRAD indicated, there is new evidence out today on the extent of violence in television in the form of a study released by the Center for Communication Policy at UCLA which, while it does note some improvement, shows by its content that violence remains a serious problem in TV programming. But the American people do not need a study to tell them what they already know about the state of television today. Not only does violence remain a problem, but vulgarity is increasing as a problem.

I hear complaints whenever I go home and talk about this subject. Poll after poll depicts a citizenry fed up with the plummeting standards of the TV industry and the constant barrage of foul programming that is being thrown at our children.

Mr. President, our purpose—Senator CONRAD's and mine—in raising this issue today is to call our colleagues' attention to the industry's curious reaction to the public's anger about the state of television programming. For the fact is that the broadcast networks this week are embarking on a new fall season that is far more crude, more rude, and more offensive than anything we have seen before.

That is the conclusion reached by the television critic at Connecticut's largest newspaper, the Hartford Courant, James Endrst, who characterized a collection of new series this fall as the product of a ''slow but steady slide into the gutter involving the Nation's most pervasive and persuasive medium.'' He went on to say that ''viewers may be struck not so much by the shows, but by the scenes—TV moments signaling an aggregate acceptance of rude language, foul imagery and gross behavior in the entertainment mainstream.''

It reminds me of Senator MOYNIHAN's searing and profound comment that we are defining deviancy down by lowering the standards of what we accept on television, particularly in what used to be family programming hours. We are lowering the standards of what is acceptable in our society, and we are sending a message to our children.

The Cincinnati Enquirer's editorial page bluntly talked about the ''reeking crud of puerile trashcoms'' that are so common this fall season. And Tom Shales, respected critic from the Washington Post, used the words ''depraved'' and ''soul-killing'' after viewing some of the same shows.

Mr. President, I would encourage my colleagues to watch some of these new shows, new shows that are premiering this week. Those of you who once may have watched ''Car 54, Where Are You?'' will probably end up asking ''Common Decency, Where Are You?'' on television today.

Mr. President, I am going to reference and read from a few lines from these shows, and perhaps I should issue a warning to any children that may be watching on C–SPAN or their parents to remove them from the sets. So I am going to quote from shows that are shown in the family hour on television today. It makes me feel like my childhood was a long time ago, and I am sure parents are yearning again for the time when they could turn on the television and not worry about being embarrassed to sit there with their children and hear what they hear—being worried about letting their children watch without them.

So let me cite from some of the shows that are new to the television this year.

ABC's ''Wilde Again'' in which the lead character advises her stepdaughter to ''call me what you called me when we first met, 'Daddy's little whore'.'' Or, you can watch another ABC offering, a nighttime soap called ''The Monroes,'' which in its premier last week showcased a woman making what we once referred to as an obscene gesture with her middle finger. That may be the most fitting symbol to characterize what too much of television is saying to the American public today, and also to our concerns about the degradation of our culture.

One of the most controversial new shows is a sitcom on CBS called ''Bless This House.'' And it is controversial for good reason. On its premier last Monday night, the mother on the show tells her daughter that she would not need her own bathroom if ''you didn't spend all morning staring at your little hooters.''

What makes the crassness of ''Bless This House'' profoundly disturbing is that the network has made a decision to air the show at 8 p.m. during what we once thought of as the traditional family viewing hour.

Some of this stuff is obviously appropriate for adult viewing. But to put it on at 8 p.m. when families have been watching television is an insult to those families. The networks' commitment to that concept of the family television viewing hour has obviously eroded. But the fall season has slipped even further, as is evident from the number of what I would call sophomoric sitcoms that are being aired between 8 and 9 p.m. For instance, joining ''Bless This House'' is another CBS series, ''Can't Hurry Love,'' which has featured in its premier episode some truly outrageous language from the lead characters.

Mr. President, the abandonment of the family viewing hour is evident also in the networks' decision to shift the number of established sitcoms with adult themes—such as ''Cybill'' on CBS and ''Friends'' on ABC—to this earlier time period. Those two shows which I have watched can be very engaging, very witty, and very entertaining. But they are often clearly not appropriate for children, particularly younger children. That is exactly the point which Senator CONRAD and I are trying to make.

I must say just as jarring as the language on new shows are some of the comments from network officials to justify their programming decisions. One high-ranking official at ABC said, ''The society to some extent, has become crasser, and we move with that.'' That is not what I understood the purpose of entertainment to be, particularly not in the family viewing hours.

An executive from NBC explained that ''life includes sexual innuendoes.'' And another NBC official also went so far as to say, ''It's not the role of network television to program for the children of America.'' But the children of America are watching those programs. That official added that most small children ''are watching Nick at Nite.'' Most of them do not watch network television in prime time.

If many young children are indeed watching Nickelodeon or the Disney Channel, it's because their parents are deeply troubled by the content of the major network's programming, and are searching for refuge from the tawdriness that characterizes too much of television today.

But the reality is that many children are watching broadcast television and these tasteless trashcoms, and the legion of perverse and near-pornographic talk shows that air each afternoon. No matter how hard parents work to monitor their children's viewing, habits, and no matter how many technological gadgets they have at their disposal, many children will continue to watch these channels, and their behavior will continue to be influenced by what they see on TV.

Mr. President, I realize that the TV industry is not a monolith. There are many responsible leaders in that community, just as there are some outstanding. thought-provoking series on the major networks. Some of them, such as the hit ABC comedy ''Home Improvement,'' showed that you can be successful and funny, without being vulgar.

PBS obviously continues to offer both adults and children a number of engaging, challenging, thought-provoking, and entertaining series. And even among the new network offerings NBC

is earning favorable reviews for a family-oriented program called ''Minor Adjustments,'' a show about a child psychologist which will appear on Sunday nights.

But there is a clear direction that the networks are moving in. It is not just Senator CONRAD and I who see it. It is all or most of the TV critics who have reviewed this current fall season. We have reason to be deeply troubled about it. I can tell you that I am troubled about it not just in my capacity as an elected representative, but as a father of four kids, one of whom is 7 years old. Television executives need to recognize that they are part of a larger civil society to which they, like we, have obligations, and that the first amendment is not a constitutional hall pass that excuses them from their responsibilities to that civil society.

Mr. President, in the end, the new fall season I hope will clear up any doubts that our colleagues have about the need for the leadership, or the V-chip, and the need to help parents protect their kids as best they can from the messages that television is sending them that are so often inconsistent with what the parents are trying to send and teach their own children.

When the telecommunications bill comes out of conference, I hope my colleagues will join us in calling on the networks to acknowledge their responsibility to society and the impact that they have on our society and to remember this important point. They are obviously private businesses, but they are using the public airwaves, and they should not use those airwaves to hurt the public. The networks need to be reminded that they would not exist if the public and we, their representatives, did not grant them access to those airwaves.

No one here wants to talk about censorship. No one here wants to talk about constraining the freedom of the networks to program. But the reality is that the networks are moving so far away from reflecting the values commonly shared by most people in this country, let alone the interests of most people in this country, that they are inviting a reaction unless they discipline themselves.

Mr. President, one of television's finest moments was the Edward R. Murrow documentary ''Harvest of Shame,'' which was broadcast four decades ago. I am afraid that the 1995 fall season might also be titled the ''Harvest of Shame.'' I hope its excesses will inspire a reaction from the American people, a reaction from us, their representatives, here in Congress, and ultimately a reaction from those who can do most to diminish this problem, and that is those who own, operate and program our television networks today.

I thank the Chair. I yield the floor, and I note the absence of a quorum.

Mr. COCHRAN. Mr. President, will the Senator withhold.

Mr. LIEBERMAN. Mr. President, I withhold my notation.

The PRESIDING OFFICER. The Senator from Mississippi.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The Senate continued with the consideration of the bill.

Mr. COCHRAN. Mr. President, the situation, for the information of Senators, is that we are at the point now where we can proceed to take the remaining amendments up and consider them, dispose of them, and move to final passage.

There are several amendments that have been listed in an agreement we entered into yesterday limiting amendments that we understand will be called up and we will have to consider them.

Senator STEVENS has an amendment on the salary of an Under Secretary position at the Department of Agriculture. That will be offered soon, we understand. Senator MCCAIN has an amendment dealing with education funds for tribal colleges, and we are happy to consider that amendment at any time the Senator would like to offer it. We may very well be able to work that out without a rollcall vote. We hope we can.

I am saying all this to let Senators know that we are making progress. We are getting to the point where we hope we will be able to move to final passage on this bill in the early evening so we will not have to stay in late on this bill tonight. We want to finish the bill tonight. The majority leader has indicated that we will stay in until we finish the bill. I am simply saying I am encouraged that we may be able to finish this bill early this evening if Senators will come and offer their amendments.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I would like to thank the manager of the bill and Senator BUMPERS for their patience. I should be ready to propose this amendment within a few minutes as soon as I get one additional piece of information.

Would the Senator from Mississippi want me to suggest the absence of a quorum while we talk?

Mr. COCHRAN. 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. BINGAMAN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I understand that my colleague from Arizona, Senator MCCAIN, will shortly be offering an amendment to provide funds for American Indian postsecondary institutions. And I want to speak very briefly in support of this amendment.

Mr. President, Senator MCCAIN, as chair of the Committee on Indian Affairs, is offering this amendment which I am proud to cosponsor which will provide funds to those institutions that are authorized in the Equity in Educational Land Grant Status Act of 1994. That act was included as part of the Improving America's Schools Act, which we also passed in the last Congress.

Mr. President, I sponsored that legislation in the last Congress to rectify what I saw as an unjust situation. That is, that every State and territory in the country had a land-grant college that received funds by virtue of that designation, but none of the Indian-operated institutions were designated as land-grant institutions in spite of the very important work that they did preparing people for careers in agriculture.

Mr. President, we had the anomalous situation where the University of the District of Columbia was a land-grant college, but those institutions in my own State and elsewhere in the country which were dedicated to training Indian Americans to pursue careers in agriculture, as well as other careers, were not so designated. So the Equity in Educational Land Grant Act authorized land-grant programs for the 29 tribal and Indian-serving institutions, which came to be known as the 1994 institutions as a result of our passage of that legislation last year.

Those institutions serve 25,000 students from 200 different tribes. The legislation then passed in October 1994 had bipartisan support and had the endorsement of the Department of Agriculture, the National Association of State Universities and Land-grant Colleges, the 1890 historically black land-grant colleges and the existing land-grant colleges in States with tribal colleges.

The appropriation that Senator MCCAIN is calling for here would make funds available for four different purposes, as I understand it, for payment into the endowment, which would be much-needed; a certain amount of funding to strengthen curriculum in food and agriculture sciences in these 1994 institutions; a certain amount for capacity-building grants; and, again, a separate amount for competitively awarded extension programs administered through the existing State land-grant colleges in cooperation with these 1994 institutions.

The offset would be from a very small amount of the dollars provided for the benefit of the land-grant college system. I am persuaded that these funds will be well spent. The programs that the amendment provides for in all 29 colleges are roughly equal to the

amount that the Department of Agriculture allocates to fewer than one of the existing land-grant colleges each year.

This funding will develop expertise in training to improve the training and use of over 50 million acres of Indian agricultural and forest land. The most recent surveys of tribal colleges found that even in the economically depressed areas where these schools are located, tribal college graduates are employed at rates of 74 to 85 percent, generating very large amounts in Federal taxes.

For these reasons, Mr. President, I urge my colleagues to support Senator MCCAIN and his amendment. I hope it is adopted by the full Senate.

Thank you, Mr. President. I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I would like to thank my friend and colleague from New Mexico for his efforts on this issue but also many others that he and I have been involved in over a period of many years on behalf of native Americans. And, as he stated so eloquently, this is a matter of simple fairness.

I am pleased to note, Mr. President, that the distinguished manager, the Senator from Mississippi, and Senator BUMPERS have agreed to a compromise on this amendment which I will be proposing shortly. And, Mr. President, the compromise amendment that I will be proposing on behalf of myself, Senators DOMENICI, INOUYE, BINGAMAN, and CONRAD is fundamentally the same.

In the interest of time, I will make my remarks and then propose the amendment when the paperwork is finished, making the changes that are being implemented as a result of the compromise that Senator BUMPERS, Senator COCHRAN, and I have achieved.

Mr. President, this amendment would provide funding for extension education and capacity building and programs at the 29 tribally controlled community colleges in the United States.

These programs were fully authorized to be funded by the Department of Agriculture by the Improving America's School Act of 1994. I want to emphasize again, Mr. President, these programs were authorized in 1994.

What the distinguished chairman has agreed to is that we have approximately $4.1 million in funding for these 29 tribal-controlled community colleges. The funds necessary to fund these efforts, of course, will be small in comparison to the approximately $855 million that is provided in this bill for research and extension programs of the Cooperative State Research Education and Extension Service budget of the Department of Agriculture.

Mr. President, the tribally controlled community colleges and institutions in America share an unfortunate fact with other tribal organizations in Indian country: They perform an extremely important task on behalf of the poorer citizens in our country, yet they have been long ignored. While many colleges and universities in America are worried about protecting State and Federal funding, tribal colleges in Indian country are struggling to survive.

It is really not appropriate that while many universities continue to receive this great amount of money, tribal colleges live in fear of losing their accreditation due to an urgent lack of funds.

Recently, we have seen actions in this body that have not been favorable to native Americans, as we noted in the Interior appropriations bill. The 29 tribal colleges in America, often called the ''1994 institutions,'' due to the fact that Congress gave them partial status as land-grant colleges last year, are extremely important to the goal of providing access of native Americans to education.

Many of these colleges are the only chance native Americans have to pursue their dreams of acquiring the skills and education they so desperately need to pursue their dreams. I think it is likely many Americans, and perhaps many Members of Congress, are unaware of the importance of tribally controlled colleges in Indian country. These colleges include among the 29, the Black Feet Community College in Browning, CO; the Sinte Gleska University in Rosebud, SD; the Southwest Indian Polytech Institute in Albuquerque, NM; and the Turtle Mountain Community College in Belcourt, ND.

Mr. President, there is a problem that native Americans have many times when they enter a college or university. Many of these young people have spent their entire lives in remote parts of our respective States, sometimes never coming in contact with more than 50 or 100 or at most 200 people for most of their lives, and then they are thrust into a large university situation.

In my own State, there are two large universities of 40,000 students each. When a native American student goes from the very small and very lowly populated environment to this very large scenario, they find many times it is a culture shock which is very difficult to cope with. As a result of this, the dropout rates of our large universities across the country, but also in Arizona, is extremely high, as high as 85 and 90 percent.

We find that in the tribal community colleges that the environment is much different and the success rate is dramatically improved.

Last year, a bipartisan coalition of Senators took note of the important work of tribally controlled colleges and the difficult circumstances they face and passed legislation authorizing the Department of Agriculture to assist agriculture-related programs at these schools.

It is very fitting for Department of Agriculture funds to be used to support native American colleges, as this amendment would achieve. American Indian lands span over 54 million acres in the United States, with 75 percent of this total being agricultural land and another 15 percent forestry land.

Unfortunately, due to a lack of resources, millions of acres of these potentially productive lands lie fallow or are underutilized. The modest amount of funds provided by this amendment would empower tribally controlled colleges and students to assist their communities and effectively develop their agricultural resources.

Obviously, I believe this amendment is a matter of equity. The Congress and the President joined together last year to offer new hope to native American schools and students but are on the verge of failing to deliver a promise yet again due to the lack of funds in this bill. Tribal colleges will use very well this amount of money, and it will be vital to the existence of some of them.

Mr. President, I would like to, just for purposes of the Record, mention a couple of facts: The median age for American Indians residing on reservations was 20.7 years of age in 1990, the median age for the entire United States was 32.9 years.

Fifty-seven percent of the total American Indian population was age 24 or younger in the United States in 1990, as compared to 36 percent for the mainstream population of the United States.

The population age group 5 to 17 comprised an average 31 percent of the total American Indian population, as compared to the national average of only 18 percent.

The American Indian population increased 38 percent between 1980 and 1990; the total United States population increased by 9.8 percent in the same period.

The American Indian baby boom has now reached college and employment age. In 1989, 31 percent of American Indians lived below the poverty level; the national poverty rate was 13 percent in that same year.

Unemployment rates on Indian reservations averages 45 percent, while some reservations served by the tribal colleges have unemployment rates as high as 86 percent.

From a 1994 sample of 16 tribal colleges, fully 74 percent of tribal college graduates are successfully employed; 42 percent of tribal college graduates go on to continue their education in other postsecondary institutions.

Mainstream public colleges are geographically inaccessible to many young American Indians, and by depriving American Indians of an equal education, we are preventing American Indians from finding adequate employment opportunities.

Mr. President, 1,340 out of 1,575 graduates in a sample of six tribal colleges were successfully employed and paid a total of $2.73 million annually in taxes. This is a dramatic difference than there is, obviously, from the average

native American, and I think it proves that in the long run, educating Indian children is just as productive, in fact in some ways more so, than as it is non-Indian children.

I note the presence of my friends from North Dakota and from Hawaii on the floor. I will state, hopefully the amendment will be finished in a few minutes so I can formally present the amendment. In the meantime, I yield the floor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I wish to commend my friend, the distinguished Senator from Arizona, for his leadership and for his wise counsel in sponsoring this amendment. I hope that the Senate will adopt the amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I commend the distinguished Senator from Arizona, and others, who are supporting this initiative for working with the managers to craft the language so this will be acceptable. We are going to recommend the approval of the amendment. It is being drafted, and I understand as soon as it is, it will be offered, and we will recommend that the Senate adopt it on a voice vote.

I know other Senators are here with other amendments. Until we have an opportunity to formally act on the amendment, I will yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair.

Mr. President, I want to thank my colleague from Arizona, Senator MCCAIN, for his leadership on this amendment. Senator MCCAIN and Senator INOUYE have been true friends of the Indian peoples of this country. Over and over and over, they have taken initiatives to try to make a difference in the lives of people who desperately need that assistance.

The amendment that the Senator from Arizona has offered this afternoon is especially important to me, because I remember very well speaking at the Turtle Mountain Community College that the Senator from Arizona referenced. I spoke at their graduation. I wish my colleagues could have been there to see the difference these community colleges are making. The idea that people were having a chance to make the most of themselves, that there was an educational opportunity, that there was a chance to go beyond what had been the experience of their parents and their grandparents, that there was a chance to develop themselves, which had filled them with such hope and such a sense of self-worth that you could see it in the eyes of the hundreds of students who were there. You could see that pride when they reached out and received a diploma that said they had mastered the subject matter.

Mr. President, in all of the time I have been in the U.S. Senate, there has never been a time that I was as moved personally by what I saw as I was on that day at graduation at the Turtle Mountain Community College. I was absolutely persuaded that this is making a difference in the lives of people.

If you could have gone to that reservation, like I did 25 years ago, and seen the conditions there and seen the difference that community college is making today, it is so dramatic that it is almost hard to believe you are in the same place. They now have several industries that are at work, that are producing goods for the military of this country that are second to none. Their tribal industry built the water trailers used in Desert Storm, and the Army says they are the finest water trailers they have ever had, and they were absolutely critical in that conflict. They were made by people who were the graduates of that community college. It is precisely the kind of thing we ought to be doing.

I thank the Senator from Arizona for his leadership and initiative.

Mr. McCAIN. If the Senator will yield for a question, concerning the water trailers, were they constructed by the tribal authority?

Mr. CONRAD. The tribal industries had built the water trailers that were used in Desert Storm.

Mr. McCAIN. What kind of an impact does that have on the tribal economy?

Mr. CONRAD. It is very dramatic because their contracts run in the tens of millions of dollars a year. It has made a dramatic difference to the economy of that reservation. I might say to my colleague, not only has that industry made a difference, they have also—this is very interesting—formed a computer company. That computer company now does the work for the Treasury Department. They manage the computer systems of the U.S. Treasury Department. They have done a first-class job. They employ literally hundreds of people in doing that service, and they have done a superb job, by the way, an absolutely superb job, and they are graduates of that particular community college.

Mr. McCAIN. Finally, would they be able to conduct and manage both industries if they did not have the community college training that is provided at Turtle Mountain?

Mr. CONRAD. No, clearly not. That community college has formed the basis of providing an educated cadre of employees that make those firms successful.

I say to my colleague, if you could go there and see the difference it is making in the self-confidence of those people, in their sense of self-worth, it is just a dramatic thing. Again, I thank my colleague for what he has done.

Mr. McCAIN. I say to my friend from North Dakota, I would consider it a privilege to come up sometime and visit Turtle Mountain Community College, because I really believe that these 29 community colleges provide what, frankly, we are not able to provide.

As I said earlier, at the University of Arizona and Arizona State University, we get many native American students entering those schools. Those 40,000 students are probably more people than some of the native American students have ever laid their eyes on in their lives. It is culture shock. And the dropout rate is high. As much as we try to design what are almost affirmative action programs, and special tutoring in special areas, we have great difficulty keeping them.

Yet, at the community colleges—for example, Navajo Community College, the dropout rate is very small because the environment and the climate is so conducive to an atmosphere where they feel a great degree of comfort. I think when we look at these community colleges, they play a far greater role than, perhaps, we could ever appreciate.

Mr. CONRAD. I could not agree more with the Senator from Arizona. If any colleague had a chance to go there and witness what I have seen, they would conclude that this is the single best expenditure we have made in the country.

Mr. McCAIN. Mr. President, I believe I am about 1 minute from being able to dispose of this amendment. If my friend from Massachusetts will indulge me, 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. McCAIN. 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. 2694

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. DOMENICI, Mr. INOUYE, Mr. BINGAMAN, Mr. CONRAD, and Mr. DORGAN, proposes an amendment numbered 2694.

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

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

The amendment is as follows:

On page 25, line 14, strike ''$568,685,000'' and insert in lieu thereof ''$564,685,000''.

On page 15, line 13, after the semicolon insert ''$1,450,000 for payments to the 1994 institutions pursuant to Sec. 534(a)(1) of P.L. 103–382;''.

On page 15, line 17, strike ''$418,172,000'' and insert in lieu thereof ''$419,622,000''.

On page 18, line 2, after the semicolon, insert ''$2,550,000 for payments to the 1994 institutions pursuant to Sec. 534(b)(3) of P.L. 103–382;''.

On page 18, line 11, strike ''$437,131,000'' and insert ''$439,681,000''.

Mr. DOMENICI. Mr. President, I support the amendment which would provide $4.0 million in funding to support extension, education, and capacity building programs at the 29 tribally

controlled community colleges and institutions in the United States.

I would also like to thank the committee for the $4.6 million already in the bill for the Native American Institutions Endowment Fund.

The amounts already provided in the bill and the amount in amendment will enhance educational opportunities for Native Americans by building educational capacity at the 29 institutions.

These institutions are in urgent need for additional resources to educate their 20,000 students from over 200 tribes.

This funding would enhance student recruitment and retention for Native Americans, curricula development, faculty preparation, instruction delivery, and scientific instrumentation for teaching.

The programs that are funded under this amendment are authorized under last year's elementary and secondary education amendments which was signed into law in October, 1994.

I urge the adoption of the amendment.

Mr. MCCAIN. Mr. President, I do not believe that the amendment requires any further debate or discussion.

I yield the floor.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 2694) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 2695

(Purpose: To prohibit the use of appropriated funds for providing assistance to the United States Mink Export Development Council or a mink industry trade association)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. BRYAN, Mr. SMITH, and Mr. LIEBERMAN, proposes an amendment numbered 2695.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . MINK INDUSTRY.

(a) FINDINGS.—Congress finds that—

(1) since 1989, the Federal government, through the Department of Agriculture Market Promotion Program, has provided more than $13,000,000 to the Mink Export Development Council for the overseas promotion of mink coats and products; and

(2) the Department of Commerce has estimated that since 1989 the value of United States exports of mink products has declined by more then 33 percent and total United States mink production has been halved.

(b) FUNDING.—None of the funds made available in this Act may be used to carry out, or to pay the salaries of personnel who carry out, the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623), in a manner that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

Mr. KERRY. Mr. President, I send this amendment to the desk on behalf of myself, my colleague, Senator BRYAN, Senator LIEBERMAN, and Senator SMITH. I know that Senator SMITH, I think, intends to speak on this amendment. But we will not take very long at all.

Over the course of the last few years, we have become accustom to identifying a series of programs on the floor of the Senate that most people have come to a quick conclusion do not make sense, against almost any standard or judgment. I think there are a lot of programs, we have come to realize, that have outlived original purposes, but they are still staunchly defended by entrenched special interests. There are a lot of other programs which never served the national interest at all, but they were initiated to satisfy a very powerful political interest. This appears to be one of those programs that may even fit both of those criteria, but which at this point in time does not make sense.

We had a debate earlier today about the Market Promotion Program. I joined as a cosponsor with colleagues in trying to do away with the whole program because there is, on its face, an enormous, legitimate question as to whether or not while we are cutting so much and so in so many other areas and particularly when we are making important judgments about the ability of the private sector to do what the private sector ought to do, there are huge concerns about the Government ponying up money to pay for what very big ongoing concerns ought to be able to do on their own.

There is even a greater concern—just on a philosophical basis—there is a huge concern about why the public sector ought to be subsidizing private sector entities that are entirely profitable, but we are subsidizing things that are wholly within the mainstream of the normal commercial business.

There is a second question about why we ought to do that at a moment when we are asking a whole lot of Americans to give up things.

So I am particularly asking my colleagues to think about a component, one component, of the Market Promotion Program which is the money that we pay to the Mink Export Development Council.

No matter where you fall on the political spectrum, it would seem to me that we ought to be able to reach the common sense rational conclusion that for the United States to be asking taxpayers to subsidize the sale of mink abroad does not meet any rational test.

Since 1989, we have spent $13.2 million for overseas promotions of minks. We ought to stop it now. We ought to signal to the country that we are prepared to stop it now.

That is an average, and it averages because it is different each year, about $2 million a year, of hard-earned taxpayers' money that goes to promote foreign fashion shows and advertising. It is precisely this kind of special interest that most Americans are saying, when are you going to cut out this nonsense?

We are about to say a teenaged mother is not going to be able to get child care paid for, for a certain amount when she goes to work, but we can pay $2 million to a company that makes a profit in order to help them promote mink sales abroad.

We will tell an elderly couple that we are cutting Medicare but we are going to keep the mink subsidy so this profitable company can sell mink.

We are going to tell a college student we have cut back on the PELL grants but we are not going to cut back on the mink subsidy.

We are going to tell a child we are not going to have Head Start but we are not going to cut back on the mink subsidy.

I think the arguments are very obvious and I do not need to belabor them.

I will share with my colleagues an advertisement which shows what this money is going to.

Here is money spent by the council on the sale of mink. This is in a Japanese magazine. It is in Japanese. I might add, nowhere does it say anything about America, or American mink or anything like that. It just says buy the mink.

Here is the translation: ''Announcing the newest and best mink collection. Excellent material and design. A step above the rest. With our pride we will provide you with a unique opportunity to upgrade your personal style.''

That is it. That is what the taxpayers of America are paying for.

Now, of the $13 million that we spent in the last few years, 90 percent of it has gone to three companies. One of those companies is a subsidiary of a large foreign-owned corporation, and every American ought to be outraged by that.

The two principal recipients of this largess are very large companies with significant revenues who simply do not need the average taxpayers of America giving them money to subsidize a foreign fashion show.

Mr. President, let me point to these two companies. From 1990 to 1994, Hudson Bay's North America Fur and American Legends received $11,840,866 during that period. North American Fur has revenues of $49 million and it is affiliated with a Canadian conglomerate that has 53,200 employees and $3.9 billion in sales.

This advertisement, this program, speaks for themselves. At a time of change in Washington this program ought to be included in that change. I hope my colleagues will join the House of Representatives who voted overwhelmingly to get rid of this ridiculous subsidy.

Mr. SMITH. Mr. President, I rise in support of the amendment of my colleague, the Senator from Massachusetts.

This is an amendment that is necessary. It should be so obvious, considering the types of debate we have been having about cuts and reductions in spending and balancing the budget.

I have always voted against market promotion programs but some like to refer to it as ''corporate welfare.'' I am satisfied with simply calling it a costly program that frankly does not work.

That is really the issue here. If you are going to be providing subsidies, it ought to be accomplishing something, if you take a position that subsidies are necessary.

The amendment that passed the House focuses on one particularly disturbing use of Federal tax dollars which the Senator from Massachusetts has outlined. That is a $2 million subsidy for the Mink Export Development Council.

I came in late and I apologize to the Senator from Massachusetts, I do not know if he got into the amendment specifically in terms of the language.

I will read that amendment verbatim, so we know exactly what it is that we are voting on. A virtually identical amendment passed the House by a vote of 232–160.

It is very interesting, the findings in the amendment. This is right out of the House of Representatives amendment:

(a) Findings, (1) since 1989, the Federal Government through the Department of Agriculture Market Promotion Program, has provided more than $13 million to the Mink Export Development Council for the overseas promotion of mink coats and products; and

(2), the Department of Commerce has estimated that since 1989 the value of the United States exports of mink products has declined by more than 33 percent and total U.S. mink production has been halved.

The third finding is in the area of funding.

None of the funds made available in this Act may be used to carry out, or pay the salaries of personnel who carry out the market promotion program established under section 203 of the Agriculture Trade Act . . . in a manner that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

Mr. President, if I had my preference I would zero out the entire MPP program. We do not need it. That is very obvious. That is not really what the Senator from Massachusetts is talking about here.

What we are saying is if we are going to continue to fund this program, do not use it to subsidize the mink industry. Since 1989 this program, as I indicated in the findings of the amendment, has funneled nearly $13 million into the pockets of mink producers.

What are the funds being used for? What is the use of these funds? Well, they put on fashion shows for mink coats in Europe. I am sure that people who work hard for a living every day trying to make ends meet are very thrilled about that, paying their tax dollars.

They take out advertisements to promote these shows. That is what some of the money is being used for.

Who is paying for that? Who is paying for it? It is not you and me. It is probably not even our children. It is our grandchildren and their grandchildren. They will pay for these fashion shows. They will pay for all of that interest that accumulates on the money we borrow to pay for the mink ads. That is who is going to pay, Mr. President.

So, some of my colleagues might say, what the heck is $2 million? That is nothing, $2 million.

I guess when you are talking about trillions it probably is nothing. But we borrow money at about 7 or 8 percent. Let us say 7 percent. So 7 percent of $2 million is $140,000 in interest on that $2 million we are spending on this subsidy. Talk about borrowing $2 million, not just 1 year, not just this year, every year, year after year after year, paying it all back with interest.

As I said many times in speaking about some of the spending in this place, there is not a big fund sitting in the Treasury Department that has a surplus in it. We have a big debt and a big deficit. So we are borrowing this $2 million from hard-working men and women across this country who are trying to meet their child care responsibilities, maybe somebody on Medicare who really needs the money who is going to see a cut in Medicare, and we are going to fund $2 million in mink subsidies for mink coats and advertisements in Europe. It is a wasteful, ridiculous and, frankly, embarrassing spending program. I commend the Senator from Massachusetts for bringing it here to the attention of our colleagues.

To fully understand how reprehensible this program is, there is another side to it. Some may not choose to get into it. It is the whole issue of the inhumane manner in which these animals are treated.

Some might say the funding is paramount, and it is. But I think, also, you have to look at this other issue. I would like to point it out. If it gets another vote and that makes a difference, then I am more than happy to point it out.

There are a couple of letters. The ASPCA, in a letter to me dated August 28 this year, said:

[They were] surprised to learn that the mink industry receives such a subsidy at all. Mink-rearing practices are extremely cruel. The animals often die by suffocation with hot, unfiltered carbon monoxide from motor vehicles, or are killed by lethal injection of the pesticide Black Leaf 40, diluted with rubbing alcohol. These wild animals are raised in small cages and exhibit classic signs of serious stress such as constant pacing, throwing themselves against the sides of the cage walls, and self-mutilation.

So I think that is an issue that may be of interest to some, the fact when you wear that coat you are participating in that cruelty and you are also spending a lot of hard-earned taxpayer dollars.

So another letter, which came to me from Wayne Pacelle, Vice President of Government Affairs of the Humane Society of the United States, in which he said:

The mink subsidy is not providing a good return on investment. While the taxpayer subsidy to the mink industry has increased by 20 percent over the last 5 years, total U.S. exports of mink pelts have declined by 35 percent.

We are not getting any return on the investment we are making. So the bottom line is, it is inhumane to the animals, No. 1. No. 2, it is costing taxpayers a lot of money they should not be asked to spend, under these difficult budget times.

We ought to respect the fact that this money belongs to the people of the United States of America. It belongs to the taxpayers. We are not respecting that. The mink subsidy is not only opposed by the ASPCA and other animal rights groups, it is opposed by the National Taxpayers Union, Council for Citizens Against Government Waste, the International Brotherhood of Teamsters, the Heritage Foundation, and the Competitive Enterprise Institute—liberals, conservatives, both sides of the political agenda; pro-business, pro-labor; Democrats, Republicans. All are opposed to a very wasteful program.

In fact, just this morning—I think the Senator from Massachusetts may have referred to it—the Washington Post ran an excellent article about this mink marketing program. Just a couple of paragraphs from that article in today's Washington post. The lead story by Guy Gugliotta:

Let's face it. At a time when Congress is talking about cutting off welfare mothers, student loans and low-income housing, it is pretty hard to argue that the nation's few hundred mink ranchers need a $2 million federal subsidy.

You cannot really say it much better than that:

It just looks bad for the feds to be paying for overseas advertising and fashion shows to promote the only item on Earth that blends naturally with diamonds and a Cadillac limo.

That really is not the image that I want to have as a Member of this Senate and it is wrong. I do not think we ought to be promoting it.

People just are not interested, frankly, anyway, for the most part, in wearing mink. That is why the exports have gone down. You can do all the marketing in the world, but if people do not like the product they are not going to buy it.

So, if we decided to start pumping millions of Federal tax dollars into

marketing zoot suits next, would people start buying them? I doubt it. But probably somebody around here might think up a Federal subsidy for zoot suits and probably would make an attempt to get it passed, if they made zoot suits in their State. But they are not in fashion. Frankly, mink coats are not in fashion anymore, either.

Where mink coats were once seen as a status symbol, now they are a symbol of cruelty. And, in addition, now, because we know they are being subsidized so extensively by the taxpayers, they are a symbol of Government waste. People are not interested in either one.

Over in the House, as the Senator from Massachusetts said, they voted to eliminate the mink subsidy. It was an easy decision. It was lopsided.

Yet here they tell me the vote is close. It is an easy decision for me. How can we tell men and women serving their country that we cannot afford to keep their military base open but we can toss away $2 million for overseas fashion shows? Or how do we tell a young man or young woman serving in some faraway country—maybe in Bosnia, in the very near future—at a recruit pay, basic pay, some of them on food stamps; we are going to tell them that we are going to fund the mink subsidy because that is more important than them?

Will you tell the thousands of other taxpaying businessmen and women who have never received a nickel of Government subsidy? I ask my colleagues to just think a little bit about the people in your State, business men and women whom you have run into in the past few years as you have campaigned or gone around meeting your constituents. Think about them: Barbers, construction workers, union guys, business guys. They work hard. Think about them. Do you think they would support this subsidy? You ought to ask them. Give them a call and ask them, if they support this kind of subsidy; that they think their dollars should go for this?

They have to save or even borrow money to pay college expenses or to perhaps promote their business, perhaps to buy a car, or even the basic essentials of life. Maybe they cannot afford to do that. So maybe they just go around and put a leaflet on the car promoting their business. I could find hundreds of ways to use the $2 million subsidies and so could they. Every one of them—think about it; $2 million. That is not how the free market works.

Most successful businessmen fully understand it. The brilliance of the competitive marketplace is if you provide a service that people want for a decent price there is no limit to your success. At the same time, if you are marketing a product that nobody wants, or very few people want, you will either go bankrupt, you will go out of business, or you will start making something else, some other product that somebody else might be interested in.

That is why stores do not have racks full of outdated clothes. Once they go out of style, people are not interested in them anymore so they get rid of them. When people stop buying them you take them off the rack and you replace them with the latest fashion. This principle has worked for over 200 years in this country—200 years, long before subsidies. You start confusing the system when you start to pump money into an industry that, frankly, cannot cut it, it cannot cut it on the open market, it cannot handle it. And we ought not to be putting Federal dollars, hard earned, working men and women's dollars into such an outrageous—outrageous subsidy.

For the Government to be using tax dollars to bring an outdated fashion back into vogue flies right smack in the face of the whole free market system. There are a lot of us in here on this side of the aisle, and some on the other side of the aisle, who profess to be strong advocates of the free market system. If you are a strong advocate of the free market, if people want to buy mink coats and there is plenty of mink out there, why do we have to have the taxpayers subsidize growing mink to provide those coats? Give me one good reason. I would like to hear one good reason.

If the voters said anything in the last election, they said cut spending and restore the free market principles to our country. That is what we are doing. This is $2 million, not a lot of money under a huge $1.5 trillion budget. But, my goodness, what a small, little step. If we cannot take this little, tiny step to stop subsidizing the production of mink coats, if we cannot do that, then I do not have a lot of hope that we are ever going to get to reconciliation and balance the budget. The House got the message. They supported this amendment 232 to 160. They did the right thing. Let us not be the laughingstock of the Congress and approve such an outrageous subsidy. That is an insult to every hard-working man and woman in this country. I would venture to say even the very few people left who wear mink coats would probably be opposed to this subsidy. How can anybody be for this subsidy? What is the justification for this subsidy? Let us show the voters that the Senate got the same message that the House got and not be the laughingstock of the Congress by passing such an outrageous, absolutely outrageous, subsidy.

I thank the Chair. I yield the floor.

Mr. BENNETT. Mr. President, my remarks will be brief.

I could rise to talk about the MPP program. But that is not what this amendment is about. This amendment is about excluding an industry from participation in this program simply because of a group that doesn't like mink, more specifically, mink coats—95 percent of which are exported.

The Senate voted yesterday to support the MPP program. The Senate has spoken. Why are we talking about fur? Why not grapes, cotton, raisins, wheat, or wine?

The Kerry amendment does not reduce spending for the MPP; it just prohibits funding for mink production. This amendment saves no money. Mr. President, that is the bottom line.

I urge my colleagues to oppose this amendment.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, for the information of Senators, the background of this amendment is that when the House, the other body, was considering this legislation, an amendment was offered on the floor which provides as follows: That no funds in the bill should be allocated under the Market Promotion Program to the U.S. Mink Export Development Council or any mink industry trade association.

So by this legislation there was a prohibition suggested in the amendment against allocating MPP funds for this purpose, to promote exports of U.S.-grown mink.

I think we have a big problem in trying to substitute our judgment for the decisions that the administrators of the Market Promotion Program have. This amendment does not seek to strike any funds. This amendment does not reduce the appropriation of money to the Market Promotion Program activity. As a matter of fact, we have already debated that issue. The issue was presented to the Senate by Senators BRYAN and BUMPERS. We debated it at length last night for a full hour. Most Senators had left for the evening. But we debated it, and we had a vote on it today. The vote was about 60–40, as I recall, to table the amendment.

The point was made during the discussion—I will repeat it here just briefly—that this program promotes the export of U.S.-grown agriculture commodities: food products, and the like. It is big business for the United States to sell what we produce in the export markets, and with the changes in the Uruguay round of GATT, more and more market opportunities are becoming favorable. This program has proved very helpful.

The difficulty I have as manager of the bill with this amendment is that it seeks to substitute the judgment of the Senate, and calls upon it to act on the floor of the Senate for the judgment of the administrators. I have received from the Department of Agriculture information about the program which says that mink exports in 1994 are estimated at about $100 million. That is a substantial increase from earlier levels.

The suggestion in the information we are given is that exports to Korea alone could exceed $40 million, which almost doubles the 1993 level. One of the associations that is involved in trying to promote the export of these products says that if it had not been for MPP funding here and the assistance that they provided to promote

U.S. mink industry products, we would not have a domestic mink industry in the United States. The fact is 28 States have mink production. In the State of Wisconsin, I remember the number is $19 million in the local economy which depends on this industry alone.

So I am hopeful that the Senate will approve our motion to table this amendment and not get into the business of trying to micromanage and legislate changes in this program on an appropriations bill. That is what is being sought.

So at the time when Senators have spoken as much as they want to speak, it will be my intention to move to table and ask for the yeas and nays.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I hope the distinguished manager will move to table literally within minutes. I just have one quick response, unless somebody else wants to speak. My friend from Mississippi is absolutely correct. This is a question of whether or not we want to substitute our judgment. That is exactly what it is. I think most Senators would agree this is an outrageous, stupid judgment. We are not talking about computers here. We are not talking about foodstuff that is the mainstay of some developing country like wheat or something. We are talking about minks that my friend from New Hampshire appropriately said, and the Washington Post said today, blends in with diamonds and Cadillacs.

If those folks want to, let them pay a little more for the cost of the advertising, which I always thought was the notion of capitalism. That is the private sector. You make your money. You go out and you do the cost of doing business. And everybody here has railed forever about the Government being involved in the process. Here is an opportunity to get the Government out of it. It is very, very simple and very straightforward.

So my friend is absolutely correct. Do we today want to substitute our judgment and suggest that the judgment of some people that want to spend this money is wrong?

I hope my colleagues will join together and say it is wrong. I am all for exports. I am not saying no to the mink industry. I have a mink farmer in Massachusetts. I hope my mink farmer in Massachusetts does very well, and continues to. That is fine. I just do not want the taxpayers subsidizing this particular endeavor. That is what this vote is about.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I move to table the amendment of the Senator from Massachusetts and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SANTORUM). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to lay on the table the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Tennessee [Mr. FRIST] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

Mr. FORD. I announce that the Senator from Louisiana [Mr. JOHNSTON] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 18, nays 78, as follows:

[Rollcall Vote No. 445 Leg.]

YEAS—18

Ashcroft	Cochran	Hatch
Baucus	Craig	Kempthorne
Bennett	Domenici	Kohl
Bond	Feingold	Packwood
Burns	Gorton	Pressler
Campbell	Grassley	Specter

NAYS—78

Abraham	Glenn	McConnell
Akaka	Graham	Mikulski
Biden	Gramm	Moseley-Braun
Bingaman	Grams	Moynihan
Boxer	Gregg	Murkowski
Bradley	Harkin	Murray
Breaux	Heflin	Nickles
Brown	Helms	Nunn
Bryan	Hollings	Pell
Bumpers	Hutchison	Pryor
Byrd	Inhofe	Reid
Chafee	Inouye	Robb
Coats	Jeffords	Rockefeller
Cohen	Kassebaum	Roth
Conrad	Kennedy	Santorum
Coverdell	Kerrey	Sarbanes
D'Amato	Kerry	Shelby
Daschle	Kyl	Simon
DeWine	Lautenberg	Smith
Dodd	Leahy	Snowe
Dole	Levin	Stevens
Dorgan	Lieberman	Thomas
Exon	Lott	Thompson
Faircloth	Lugar	Thurmond
Feinstein	Mack	Warner
Ford	McCain	Wellstone

NOT VOTING—4

Frist	Johnston
Hatfield	Simpson

So the motion to lay on the table the amendment (No. 2695) was rejected.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 2695) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2696

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2696.

On page 32 of the bill, strike lines 7 through 11 and insert in lieu thereof the following:

SEC. . For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by Congress for the Natural Resources Conservation Service, $677,000: *Provided*, That none of these funds shall be available to administer laws enacted by Congress for the Forest Service; *Provided Further*, That $350,000 shall be made available to the Secretary of Agriculture to administer the laws enacted by Congress for the Forest Service; *Provided Further*, That notwithstanding Section 245(c) of Public Law 103–354 (7 U.S.C. 6961(c)), the Secretary of Agriculture may not delegate any authority to administer laws enacted by Congress, or funds provided by this Act, for the Forest Service to the Under Secretary for Natural Resources and Environment.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, in 1948, the Congress passed a law that provided that ''no part of any appropriation for the Bureau of Reclamation contained in this Act shall be used for the salaries and expenses of a person of any of the following positions:''

Mr. BUMPERS. Mr. President, the Senate is still not in order. It is very difficult to hear the Senator from Alaska. That really means we are not in order.

The PRESIDING OFFICER. The Senator is correct. The Senate will please come to order.

Mr. STEVENS. Mr. President, I shall not take umbrage at my friend from Arkansas, because normally I can be heard. I do appreciate his concern.

As I was saying, in 1948, Congress passed a law which, in effect, cut off the salary for the Commissioner for the Bureau of Reclamation.

In 1987, under the leadership of the now deceased Jamie Whitten, chairman of the Appropriations Committee, the Congress passed Public Law 100–202, which read as follows, and I ask unanimous consent that this be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. STEVENS. Mr. President, I want to read it:

Office of the Assistant Secretary for Special Services. For the necessary salaries and expenses to continue the Office of the Assistant Secretary for purposes of providing special services to the Department, $416,000: Provided, that none of these funds shall be

available for the supervision of Natural Resources and Environment activities, the Soil Conservation Service, or the Forest Service.

By that amendment, Mr. Whitten, in effect, defunded the salary of a gentleman named Dunlop. He held the same position in the Department of Agriculture that my amendment applies to. My amendment applies to the Office of the Under Secretary of Agriculture that primarily deals with the area of natural resources and environment. He has been supervising the Forest Service. I hope that the Senators from Colorado and Washington, and others, will address this matter.

I am concerned that the Secretary of Agriculture has considered this amendment to be an amendment that deals with a dispute as to policy.

Let me assure the former Member of the House and now Secretary of Agriculture, this has nothing to do with policy. This has to do with the decision of one person of the executive branch not to follow the law as enacted by Congress and adopted by the President.

Mr. Lyons was one of those who was the author of the President's Northwest timber plan that promised 2 billion board feet of timber. Under his leadership, the Forest Service produced 300 million board feet. After Congress released the timber sales in the recent rescissions bill, Mr. Lyons tried to prevent that sale from being released, and the Federal court immediately agreed with Congress. The Senator from Washington will discuss this. In terms of Alaska, Mr. Lyons has repeatedly refused to follow the law as passed by the Congress.

In Montana, he decided on his own not to follow the law passed by Congress with regard to a roadless area in Montana, basically making that area wilderness, although Congress had specifically decided not to designate it as wilderness.

In Alaska, we have had flagrant refusal to follow the law that has been passed by Congress. In recent months, we had an amendment that was adopted that asked the Forest Service to limit the so-called habitat conservation zones in the national forests to the size that was the largest size used for such zones in what we call ''the lower 48.''

Under Mr. Lyons' leadership in the Forest Service, he had designated over 600,000 acres of the area that was available for timber harvest in the State of Alaska as habitat conservation zones. One of them was one-fifth the size of Rhode Island.

After the Congress passed the law and set the maximum area for such zones, Mr. Lyons just simply refused to follow it. I do not think this is a disagreement policy. We have had our arguments on policy and we have them here. When a law is passed and that law is ignored and really just faces a complete refusal of the person with the authority to administer it, refusal of that person to follow the law, I think it sets a very bad standard for our country as a whole.

We expect our people to follow laws that are enacted by Congress. As a matter of fact, most of those people that are not in Government employment, if they do not follow a law passed by Congress, they are fined immediately. I have an appeal from one miner that was fined $48,000 for failing to follow a directive issued orally by a person in the Government. We have repeated incidents of members of the public who are cited and brought into court, and many other things are done when they do not follow the law.

In this instance, there is nothing to be done. That is why I have raised this question. I raised the question of whether or not the Congress wants to follow the example set on at least two previous occasions and, in effect, remove the area of the Forest Service from the delegated authority of the Under Secretary. I have not gone as far as Mr. Whitten did, or the 80th Congress, in totally defunding the function. All this amendment really does is says to the Secretary of Agriculture, we no longer have faith in this person to fairly and impartially administer the laws of the Forest Service and, therefore, we redelegate the authority back to the Secretary. It is a simple matter. There is no change in the money available to the Department of Agriculture. There is no change in the money available to the Under Secretary's office, as far as his functions are concerned. But the money for the supervision of the Forest Service is restored to the Secretary's office, and the Secretary is placed back in the position of full responsibility for the Forest Service.

I cannot believe that we would allow a person to completely disregard the acts of Congress and refuse to carry them out. I am hopeful, as I said, that the Senator from Oregon may have a comment; and the Senator from Colorado, I know, wishes to come to the floor. I hope they will come to the floor and speak on this amendment.

I consider it to be just a modest shot across the bow, Mr. President. We in the West are tired of this war against the West. We want the laws that Congress passes, after long battles here in the Congress, to be observed. They have not been observed by this man. He has refused to follow them. He has refused to even keep his own word, as you will hear from other Members, concerning what he stated he would do and what he has actually done in carrying out the authority delegated to him in the past.

I am hopeful that the Senate will adopt this amendment and the House will see fit to adopt it. If we do not take action and require these people to follow the law, how can we expect the public to obey the laws we pass?

Mr. President, to me, this is a matter of simple justice. This man has refused to faithfully follow the laws that have been passed by Congress in the area in which he has been delegated authority to enforce those laws. I believe this amendment is in order.

EXHIBIT 1

PUBLIC LAW 100–202—DEC. 22, 1987

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. Because the spending levels included in this Resolution achieve the deficit reduction targets of the Economic Summit, sequestration is no longer necessary. Therefore:

(a) Upon the enactment of this Resolution the orders issued by the President on October 20, 1987, and November 20, 1987, pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, are hereby rescinded.

(b) Any action taken to implement the orders, referred to in subsection (a) shall be reversed, and any sequesterable resource that has been reduced or sequestered by such orders is hereby restored, revived, or released and shall be available to the same extent and for the same purpose as if the orders had not been issued.

The following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1988, and for other purposes, namely:

SEC. 101.[1] (a) Such amounts as may be necessary for programs, projects or activities provided for in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1988 at a rate of operations and to the extent and in the manner provided for, the provisions of such Act to be effective as if it had been enacted into law as the regular appropriations Act, as follows:

* * * * *

ENROLLMENT ERRATA

Pursuant to the provisions of section 101(n) of this joint resolution (appearing on 101 Stat. 1329–432 changes made are indicated by footnote.

The words ''Government'', when referring to the Government of the United States will be capitalized, ''Act'', if referring to an action of the Congress of the United States, will be capitalized, ''State'', when referring to a State of the United States will be capitalized, ''title'' and ''section'' will be lower case, when referring to the United States Code or a Federal law. The capitalization of the foregoing words may be changed, and not footnoted.

OFFICE OF THE ASSISTANT SECRETARY FOR SPECIAL SERVICES

For necessary salaries and expenses to continue the Office of the Assistant Secretary for purposes of providing special services to the Department, $416,000: *Provided,* That none of these funds shall be available for the supervision of Natural Resources and Environment activities, the Soil Conservation Service, or the Forest Service.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $498,000.

RENTAL PAYMENTS (USDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Department of

[1] Copy read ''(a) Such amounts.''

Agriculture which are included in this Act, $49,665,000, of which $3,000,000 shall be retained by the Department of Agriculture for non-recurring repairs as determined by the Department of Agriculture: *Provided*, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 per centum of the funds made available for space rental and related costs to or from this account.

BUILDING OPERATIONS AND MAINTENANCE

For the operation, maintenance, and repair of Agriculture buildings pursuant to the delegation of authority from the Administrator of General Services Authorized by 40 U.S.C. 486, $20,024,000, of which $3,245,000 is for one-time purchase of systems furniture.

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of Advisory Committees of the Department of Agriculture which are included in this Act, $1,308,000: *Provided*, That no other funds appropriated to the Department of Agriculture in this Act shall be available to the Department of Agriculture for support of activities of Advisory Committees.

HAZARDOUS WASTE MANAGEMENT
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, except for expenses of the Commodity Credit Corporation, to comply with the requirement of section 107g of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607g, and section 6001 of the Resource Conservation and * * *.

* * * * *

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, never before in my career in the U.S. Senate have I considered or supported taking an action of this nature. Yet, I am convinced that, if anything, the proposal of the Senator from Alaska is too mild. Each and every one of us has had differences of opinion on matters of policy with persons in a national administration, sometimes with members of our own party, but more frequently with those of the other party. But these differences of opinion are cast in the terms of policy, not in the terms of either truthfulness or a willingness to abide by the law.

So I wish to emphasize as clearly as I possibly can that this amendment proposed by the Senator from Alaska does not stem from a difference of opinion over a matter of policy with Secretary Lyons. We differ with the entire administration on many matters of policy relating to the forests. But in the case of Mr. Lyons, we do not get truthful answers from him on questions of fact, and we get defiance with respect to the law, whether it has been on the law books for an extended period of time or is brand new, consistently. And there is a vindictive attitude toward any of those who disagree with him and toward almost all of those who are engaged in the profession of forestry in the private sector.

Let me give you just a few really very, very recent examples. Two of them come from the rescissions bill, which was passed by this Congress and signed by the President only a very few months ago. The most recent took place only last week. The bill on rescissions was, quite obviously, a controversial piece of legislation. And it carried with it, in addition to the cancellation of some spending programs, a number of substantive provisions. The first rescissions bill passed by this Congress was vetoed by President Clinton, as was his perfect right, on a number of grounds, one of which was the so-called ''salvage timber'' language that was included in that bill. During the period of time between that veto and the passage of a second rescissions bill, the language on salvage and other timber was negotiated literally line by line with the administration. And the administration was consistently represented by Assistant Secretary Lyons.

One of the issues was what timber was covered by one of the provisions in the bill. Secretary Lyons argued for a more restrictive provision. He ultimately asked those of us who were proponents of the language to give him a list of the timber sales that were authorized by the bill. That list of timber sales was given to him. The bill was passed. The bill was signed by the President of the United States, and immediately Assistant Secretary Lyons said that most of the contracts that were listed in the very list he had been given would not be released. He interpreted the section concerned in the manner he had advocated in these negotiations and was rejected by those negotiations.

His position has already been rejected by a U.S. District Court which stated that the meaning of the provision was absolutely clear. In spite of that ruling, Secretary Lyons has still not released the timber sales and a spokesman for his administration said, ''This ruling was not an order. It doesn't direct us to do anything.''

Obviously, requiring people to go back into court, once again, to enforce what Secretary Lyons understood to be the law before the law was passed, understood what it was after it was passed, understood it was after the court ruled, and understands what it is today.

Another provision in the same timber language for rescission had to do with other timber sales.

There was an extensive debate over the definition of a phrase ''known to be nesting.'' We stated it meant (A), Secretary Lyons insisted it be amended to have the meaning (B). Secretary Lyons' position was rejected and the land which was stated to have meaning (A) was adopted and signed by the President.

Secretary Lyons immediately interpreted it to mean what he had asked us to change it to unsuccessfully. That matter is now in court.

Just last week, Assistant Secretary Lyons caused to be issued a final rule for the implementation of a 1990 law entitled the Forest Resources Conservation and Shortage Relief Act of 1990, dealing primarily with the export of logs from State and Federal lands. Mr. President, that law was passed in 1990.

A proposed rule has been under discussion literally for years and the companies involved in this business have managed their business in accordance with that proposed rule.

On September 8, Assistant Secretary Lyons issued a final rule for the implementation of the 1990 law dramatically different from the proposed rule—dramatically different—without having had any hearings or having given any notification as to those changes, as to those differences.

That new rule will require dramatically different business practices on the part of persons in the timber industry, the failure to observe, which will subject them to great fines in business penalties. Yet, Secretary Lyons made the rule effective immediately.

The burden he has imposed is an impossible burden to meet. Later on this evening I believe that we here will adopt an amendment to this bill directing that there be a 120-day period after the time of the promulgation of that rule until it becomes effective, so that people can at least change their business practices so that they are operating in accordance with the law. Making it effective immediately can only have been designed to persecute business enterprises engaged in this business who had no notice of what was going to be included in this rule whatever.

Mr. President, other Senators have told me of numerous occasions on which they have been given specific assurances of a matter of fact by the Assistant Secretary, only to have his actions dramatically and diametrically opposed to the commitments that he has made.

Mr. President, this is a Federal officeholder who operates outside of the law who believes that the law is whatever he feels appropriate policy is and who ignores actions by the Congress of the United States totally and diametrically opposed to his philosophies.

This is not an amendment that results from a disagreement on a matter of policy. It is an amendment to sanction an individual by removing the Forest Service from his jurisdiction for deliberate falsehoods to the Congress of the United States and for deliberate violations of the law. It should not be treated on a partisan matter. It should not be treated in the manner in which Members vote to defend actions of this sort.

All of us are implicated by this kind of lawless action on the part of an Assistant Secretary of Agriculture. All of us, by voting in favor of this amendment, can pass on the message which should be a message for all administrations of both parties under any set of

circumstances, that policy differences in a free country are totally and completely appropriate, but that the law, the administrative law which applies to a given Department, must be honestly and forthrightly carried out by that Department.

That is not the case with this Assistant Secretary, Mr. President. It is dramatically not the case. We should sanction, by the adoption of the STEVENS amendment.

Mr. BROWN. Mr. President, I rise in strong support of the STEVENS amendment. I want to share with Members why I will be voting for that amendment.

Mr. President, we had discussed on this floor some of the problems associated with water policy during the current administration and prior administrations. This may seem somewhat far afield for Members who come from States where they have ample water and great resources, but, Mr. President, let me assure you the principle involved in it is extremely important for all of us.

The problem revolves around the ability to cross Federal grounds or use Federal grounds under a permit. That is an important question in Colorado because 37 percent of the State is owned by the Federal Government. Obviously, in Alaska it is a much higher percentage.

Let me suggest it is a question that every single Member of the Senate has to be concerned about. If the Federal Government owned title to a property, your State may need to get a permit to cross that ground to put down a utility line, to put down a waterline, to put down a sewer line, to lay highways and so on.

The reality is, Mr. President, the ability to get permits to cross or use Federal ground is essential for every State in this Nation. It is part of being good partners and part of working together.

What happens when those permits run out? The permits vary in length. In Colorado, they can be issued for 20 years, and some of the extensions have gone beyond that period.

What happens when a permit expires? Does it mean ''tear down the highway''? Does it mean dig up the lines? Does it mean close down municipal drinking water? Believe it or not, the State of Colorado was faced with that decision.

The Forest Service, under a previous administration—not this administration, but the previous administration—suggested that for cities to renew their permit for a water line across Federal property, they would have to surrender a portion of their water rights. These offers to surrender a city's water rights started at a third with subsequent offers made for less than that.

Literally, the Forest Service suggested that to renew a Government permit to carry vital drinking water across Federal property, with no change whatever in function, the city would have to surrender a third of their water rights or less to renew their permits.

Frankly, some of Colorado's cities did not have a choice. They had to cross Federal grounds to get water from the reservoir to the city and its inhabitants. ''Extortion'' is not too strong a word to describe that policy.

As all Members can understand, strong protests were raised, and when it was brought to the attention of the Secretary of Agriculture, Secretary Madigan wrote me a letter and reversed the policy, directing his Department to issue renewals of permits without conditioning them on the forfeiture of a city's water rights.

Mr. President, Secretary Madigan's policy is very important. It corrects a practice that I believe was not only illegal but terribly unfair and damaging to the citizens of Colorado and, frankly, damaging to the citizens of any State that is dependent upon Federal permits to receive their water.

Why should I offer that background for this particular amendment? I offer that background because, included in the information I will submit at this point in the RECORD, are a series of letters that I received from Secretary Madigan as he put that policy into place. Those letters formed the core of the policy followed by the Secretary of Agriculture which relates to the current Secretary and the current Under Secretary of Agriculture.

Because renewing Federal permits is a continuing problem and a continuing concern, when the current Under Secretary came before the Subcommittee for Resource Conservation, Research and Forestry of the House Agriculture Committee, Under Secretary Lyons was called before that committee to testify. He was asked directly about the Madigan letter and that very important policy. Let me quote from Congressman ALLARD.

> . . . I'd like to proceed to a letter that was written to Senator Brown in 1992 by then-Secretary of Agriculture Madigan. And in that letter he said, and I quote from the letter, ''I want to assure you that it is the policy of the Forest Service to ensure the private property rights, including water rights will be recognized and protected in the course of special use permitting decisions for existing water supply facilities. In addition, the Forest Service will recognize and respect the role of the States [in] water allocation and administration.''

Mr. President, that is a quote from the letter and the commitment of Secretary of Agriculture Madigan.

Congressman ALLARD is asking Mr. Lyons if that is still their policy. His response as is apparent, and included in the transcript from that record is this: ''Mr. Lyons. Yes, sir, we still operate in that manner.''

Congressman ALLARD had quoted to him the Madigan letter and the policy and asked if that is still the Agriculture Department's policy and Mr. Lyons responds yes, it is. And indicates they operate in that manner.

Later on, Congressman ALLARD quotes again and says:

> Well, I would just remind you that and refer you back to the letter of Secretary Madigan, of which you said you haven't changed the policies from that letter, that you do recognize the role of the States in water allocation administration. And if you do recognize that, then there shouldn't be a constant demand for water.

Mr. President, he said that. Again, Under Secretary Lyons did not correct it.

What is wrong with this? The date of that testimony was February 15, 1995, earlier this year.

What is wrong with it is this. Just recently, on September 8 we were advised by Mr. Lyons and his staff that the Madigan letter, which he had said was still in effect when he testified on February 15, had been withdrawn, in effect repealed, and all of the letter was no longer the policy of the administration.

Moreover he said the withdrawal of that letter was done in August 1994. Mr. President, what is apparent here is that the recorded testimony of the Under Secretary about the specific provision was not correct. And, moreover, he had to have known it was not correct at the time.

Mr. President, what this man did was mislead the congressional committee in response to direct questions on a direct subject.

As Under Secretary, he is in immediate supervision of the Forest Service. One may disagree with the policy—although I doubt if any Member would want their State to have permits for crossing Federal grounds canceled or have water extorted from their cities, or other extortive conditions placed upon the continued functioning of their cities or towns. But one may disagree about the policies. Nonetheless, this question with the Under Secretary is not about the policy. Men and women of good faith and good conscience can disagree about the policy. But the Under Secretary has a responsibility to the Senate and to the House and to this Government that goes beyond simply giving the President his best advice and doing the kind of job that he feels is appropriate. He has a responsibility to be honest and candid and frank with the American people and with committees of this Congress.

If this Congress turns a blind eye to an administration official who comes, testifies and misleads congressional committees, we forfeit our legitimate and important role of overview and oversight of the executive branch. In addition, we forfeit our elected responsibilities in ensuring that critical administrative policy decisions that affect the most basic needs of the citizens in our States are subject to the voices of the elected representatives of the people.

This case is as clear as it can be. We have the testimony from the committee—Mr. President, I ask unanimous consent that the transcript of the hearing be printed in the RECORD of our proceedings at this point.

I also ask unanimous consent that copies of the letter that Mr. ALLARD and I sent to Secretary Glickman, and copies of the letters we received in 1992 from Secretary of Agriculture Madigan, be printed in the RECORD at this time.

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

HEARING BEFORE THE SUBCOMMITTEE ON RESOURCE CONSERVATION, RESEARCH AND FORESTRY OF THE COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, 104TH CONGRESS, 1ST SESSION, FEBRUARY 15, 1995

Mr. ALLARD. Mr. Lyons, I want to thank you for showing up to testify before this Committee.

I would agree with you that there are a lot of good things about the way the water is managed in Colorado. In fact, that is there because of a water management system developed by the State. And many of the streams that you talked about of free flow-in 50 years ago didn't have a flow year-round and today there is a year-round flow.

And because we provided the laws in order to manage that very valuable resource in the State of Colorado called water so that all the water comes down in the spring doesn't get dissipated out so that when we get into August and into the fall, the streams end up drying up. In fact, I can think of a number of rivers right now where there is a year-round flow out of the State of Colorado, but if you look back into the early journals of the settlers and explorers that came back into the State, they talk about digging down into the sand in order to find the water. In other words, there wasn't a flowing stream of water.

So in light of that, I'd like to proceed to a letter that was written to Senator Brown in 1992 by then-Secretary of Agriculture Madigan. And in that letter he said, and I quote from the letter, ''I want to assure you that it is the policy of the Forest Service to ensure that private property rights, including water rights, will be recognized and protected in the course of special use permitting decisions for existing water supply facilities. In addition, the Forest Service will recognize and respect the role of the States and (sic—in) water allocation and administration.

Is this still the Forest Service policy?

Mr. LYONS. Yes sir, we still operate in that manner.

Mr. ALLARD. Can you explain what happened in Arapaho and Roosevelt National Forests with bypass flows, then?

Mr. LYONS. Well sir, I have with me Forest Supervisor Skip Underwood from the Arapaho and Roosevelt National Forests. he can explain in detail what the negotiations led to in terms of the development of a solution to a concern that was expressed by a number of permittees regarding conditions for their permits.

But the short of it is we worked with the permittees to develop a joint operating plan for waters flowing in the Cashelocuta drainage. This successfully avoided the need for the establishment of bypass flows, which I think is your primary concern, with the exception of one stream segment, and that was a stream segment which benefitted or which was part of the permit that operated for the benefit of the City of Fort Collins.

Mr. ALLARD. The agreement was with Forth Collins. But what about the other communities in that area? You've got Greeley and Loveland and Boulder.

Mr. LYONS. They were all part of the joint operating plan. And, in fact, we've recently signed easements with all those permittees, for the continued operation of their facilities.

Mr. ALLARD. And part of that arrangement was you've demanded as part of the agreement of bypass flow, irregardless of whether that was adjudicated water through the State water courts .

Mr. LYONS. Well, I don't believe we demanded that, Mr. Chairman, What we attempted to do was determine a mechanism by which we could meet our obligations under law to protect aquatic resources in a manner that would minimize the impact on the permittee. And, in fact, I think the permittee has indicated that he felt that the impacts or the permittee felt that the impacts would be fairly limited.

Mr. ALLARD. Well, the point is that you did end up with bypass flows.

Mr. LYONS. On one segment, yes, sir.

Mr. ALLARD. Yes. And you didn't go through the State courts to acquire that water right.

Mr. LYONS. That was through negotiated agreement with the permittee as a condition of the permit.

Mr. ALLARD. So it did avoid the State court provisions.

Mr. LYONS. Yes, sir.

* * * * *

Mr. ALLARD. Well, I would just remind you that and refer you back to the letter from Secretary Madigan, of which you said you haven't changed the policies from the letter, that you do recognize the role of the States in water allocation administration. And if you do recognize that, then there shouldn't be a constant demand for water.

Now you may not have a right, but you ended up with the water. You know, the States have traditionally recognized water as a private property right and has protected that right through their adjudication process, usually in the State court. And all the Western States have that type of legal process. And I think that's of real interest to this Committee. It's certainly of a lot of interest to me personally.

So I would encourage you work with the State of Colorado through the current water law that they're administering in that State.

Mr. LYONS. We fully intend to do that, Congressman. As I indicated, we have a whole slew of permits yet to be reviewed. We intend to work with the permittes, with other interested parties, and with the State. And we'll certainly work with you and other members of the delegation to try and achieve a balance in resolving these permit issues.

HOUSE OF REPRESENTATIVES, COMMITTEE ON AGRICULTURE, SUBCOMMITTEE ON RESOURCE CONSERVATION, RESEARCH, AND FORESTRY,

Washington, DC, September 14, 1995.

Hon. DAN GLICKMAN,

Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC.

DEAR MR. SECRETARY: On Friday September 8th, your staff asserted in a briefing that the October 6, 1992 letter from Secretary Madigan which confirmed that the Forest Service would not impose new bypass flows on existing water supply facilities had been rescinded in August, 1994. If this assertion by your staff is accurate, we have several very serious concerns about this action.

First, the interpretation of the law contained in the Madigan letter is not only correct from a legal perspective, but is also critically important to the West. Colorado and other states are experiencing significant growth at a time when it is very difficult to develop new water supplies. This means that the continued availability of existing water supplies is absolutely essential. The illegal imposition of new or additional bypass flow requirements on existing water supplies takes water away from municipalities that need this water to supply and support their citizens and farmers that have long used this water to grow crops. In addition, the loss of these water supplies increases the demand for acquisition of new or substitute water supplies. In the case of Colorado's Front Range, the loss of these existing water supplies increases the need for new water storage facilities, which will have environmental impacts. More importantly, the loss of these supplies also leads to the conversion of agricultural water rights to municipal uses, and the resulting loss of socially and environmentally important open space currently provided by irrigated agriculture.

Second, the assertions by your staff are directly contrary to explicit representations made by you and Undersecretary Lyons in full Committee and Subcommittee. At a hearing before the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry on February 15th of this year, we were assured by Undersecretary Lyons that the Madigan policy was still in effect;

''Mr. ALLARD. Mr. Lyons, I want to thank you for showing up to testify before this Committee.

''I would agree with you that there are a lot of good things about the way the water is managed in Colorado. In fact, that is there because of a water management system developed by the State. And many of the streams that you talked about of free flow-in 50 years ago didn't have a flow year-round and today there is a year-round flow.

''And because we provided the laws in order to manage that very valuable resource in the State of Colorado called water so that all the water comes down in the spring doesn't get dissipated out so that when we get into August and into fall, the streams end up drying up. In fact, I can think of a number of rivers right now where you look back into the early journals of the settlers and explorers that came to the State, they talk about digging down into the sand in order to find the water. In other words, there wasn't a flowing stream of water.

''So in light of that, I'd like to proceed to a letter that was written to Senator Brown in 1992 by then-Secretary of Agriculture Madigan. And in the letter he said, and I quote from the letter, ''I want to assure you that it is the policy of the Forest Service to ensure that private property rights, including water rights, will be recognized and protected in the course of special use permitting decisions for existing water supply facilities. In addition, the Forest Service will recognize and respect the role of the States in [sic-and] water allocation and administration.''

''Is this still the Forest Service policy?

''Mr. LYONS. Yes, sir, we still operate in that manner.''

In addition, at a full committee hearing, you also assured the Committee that the Madigan policy was still effective;

''Mr. ALLARD. Mr. Secretary, welcome. I'd like to join some other members of this Committee in congratulating you on your appointment and subsequent confirmation as Secretary of Agriculture. And I do look forward to working with you on the issues that are facing agriculture.

''One issue that is particularly important in all of the Western United States is an issue pertaining to water and how the Forest Service is working with the States on the management plans for water.

''As you know, the Forest Service has been going around State water laws and demanding bypass water flows. And this has been a concern through 3 Secretaries of Agriculture and two Presidents.

''When Secretary Madigan was running the Forest Service, he sent a correspondence to

Senator Brown assuring him that—that's the senator from the State of Colorado—assuring his that it is a policy of the Forest Service to ensure that private property rights, including water rights, will be recognized and protected in the course of special use permitting decisions for existing water supply facilities.

''He further stated in his letter, ''In addition, the Forest Service will recognize and respect the role of the States in water allocation and administration.''

''Mr. Lyons assured me in February that it is the Forest Service's policy, now that you are heading up the Department do you agree that this should be the policy of the Forest Service?

''Mr. GLICKMAN. Absolutely.''

The entire focus of the Madigan letter was on the issue of bypass flows. The letter promised that the Forest Service would protect private property rights and preserve state water allocation systems, and explicitly explained that this interpretation of the law meant that new bypass flows would not be imposed on existing water supply facilities. Both you and Undersecretary Lyons affirmed, without any qualification, limitation, or exception, Secretary Madigan's interpretation of the law on this issue. In light of your ''absolute'' ratification of these principles, your staff cannot credibly assert that your commitment meant something other than a complete acceptance of Mr. Madigan's conclusion that the Forest Service did not have the legal authority to impose new bypass flows on existing water supply facilities.

Finally, the purported recision of the Madigan letter occurred over a year ago. Since that time we have discussed the Madigan letter with you and Mr. Lyons on numerous occasions, and made it clear that this is a very important issue. Your failure to even disclose the existence of the August, 1994, action in the course of these subsequent discussions is incomprehensible, particularly in light of your absolute affirmation of the letter before the full committee.

In light of the withholding of this information, it is necessary for us to obtain, within 30 days of the date of this letter, copies of all documents, including telephone messages and logs, information generated or stored in computerized form (including E-mail), correspondence, memoranda, and other form of data or information in the possession of the Forest Service and USDA which relate or refer to the Madigan letter from November, 1992 through the present time. We would also like a written response by Monday, September 18th as to whether you will comply with this request.

We are deeply disappointed by this turn of events. We had hoped that you would use your tenure at the Department to ease tensions between western members of Congress, their constituents and the Department. Unfortunately, it appears that instead you are continuing the anti-West agenda this Administration began in 1993.

HANK BROWN,
Senator.
WAYNE ALLARD,
Congressman.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, October 5, 1992.

Hon. HANK BROWN,
U.S. Senate,
Washington, DC.

DEAR HANK: Thank you for your August 12 letter regarding the renewal of special-use permits for water supply facilities on the Arapaho/Roosevelt National Forest in Colorado. I understand the importance of this issue to cities throughout the west that depend on facilities located on national forest lands for their water supplies.

This is a complex issue, but one that I believe has been resolved in a manner that is satisfactory to all interests. This progress is due in no small part to your ongoing interest and leadership in this important area.

I want to assure you that it is the policy of the Forest Service to ensure that private property rights, including water rights, will be recognized and protected in the course of special-use permitting decisions for existing water supply facilities. In addition, the Forest Service will recognize and respect the role of the States in water allocation and administration.

I agree that the Forest Service should not take actions that reduce historical water supplies from facilities located on national forest lands. The Forest Service will reissue permits for existing water supply facilities for 20 years with provisions to recognize and respect both the rights of the applicants and the multiple use objectives of the national forests. New bypass flow requirements will not be imposed on existing water supply facilities. However, unless amended, all permits will authorize only historical water rights associated with existing facilities. The permits will also obligate the permittee to accommodate resource goals of the Forest. This accommodation will be to the extent feasible without diminishing the water yield or substantially increasing the cost of the water yield from the existing facility.

In summary, special-use permits for existing water supply facilities will:

Authorize the use, operation, maintenance, repair, and replacement of the existing facilities described in an enclosure to the permit for the exercise of the water rights and water conservation or management practices described in an additional enclosure to the permit. The permit will not authorize expansion or enlargement of the facilities or water rights, water conservation, or management practices described in the enclosure.

Require the permittee to operate the facilities in a manner that accommodates the resource goals of the national forest without reducing the yield of the water rights or significantly increasing the cost of the water yield from the existing facility.

Require the permittee to provide the Forest Service, on an annual basis, a copy of the official records of the State agency having responsibility for administration of the water rights for the facilities described in the enclosure.

I am pleased to see that progress has been made on this issue and will instruct the Forest Service to reissue permits in accordance with this letter. I have asked the Chief of the Forest Service to initiate discussions with local interested parties to identify ways for carrying out the provisions and objectives of the individual permits.

Sincerely,

———— ————,
(For Edward Madigan, Secretary).

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, October 9, 1992.

Hon. HANK BROWN,
U.S. Senate,
Washington, DC.

DEAR HANK: This letter is a follow-up to the one I sent to Senator Wallop on October 6 in response to his August 12 letter regarding special-use permits for water supply facilities on the Arapaho/Roosevelt National Forest in Colorado.

You asked for clarification of what is meant by the following sentence in paragraph 4 of my October 6 letter: ''New bypass flow requirements will not be imposed in existing water supply facilities.''

The entire October 6 letter is directed at clarifying conditions for renewing permits for existing water supply facilities only, and is not intended to pertain to new water supply facilities or expansions of existing ones.

An underlying principle for renewing permits for existing facilities, as stated in the same paragraph of the October 6 letter as the sentence in question, is: ''. . . unless amended, all permits will authorize only historical water rights associated with existing water supply facilities.'' The sentence in question is intended only to emphasize that no new bypass requirements will be imposed beyond any that may have been specified in the old permit for the existing facility.

Sincerely,

———— ————,
(For Edward Madigan, Secretary).

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, November 3, 1992.

Hon. HANK BROWN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BROWN: Thank you for your September 21 letter to Secretary Edward Madigan on behalf of the cities of Greeley and Loveland, and the Grand County Water and Sanitation District, regarding the Forest Service position on bypass flows. The Secretary has asked me to respond to your letter.

Secretary Madigan's October 6 letter to you clarified our policy that ensures protection of private property rights, including water rights, when renewing special use permits for existing water supply facilities. This same policy applies to Greeley, Loveland, and the Grand County Water and Sanitation District facilities. The Forest Service will reissue special use permits for the city of Loveland's hydroelectric project on the Big Thompson River and Public Service Company of Colorado's hydroelectric project on Middle Boulder Creek consistent with the conditions of the Federal Energy Regulatory Commission licenses for the two projects.

We appreciate the interest of the respective City Officials in operating these facilities in harmony with the environment. The Forest Service will continue to work with the municipalities to achieve this objective.

Sincerely,

JOHN H. BEUTER,
Acting Assistant Secretary,
Natural Resources and Environment.

Mr. BROWN. Mr. President, the documentation is clear. I see before us on our desk a letter from Secretary Dan Glickman. Mr. President, I want to tell you I have the utmost respect for Secretary Glickman. I served with him in the House. I know him to be a person of integrity and honesty. We did not always agree but I respect his judgment and I respect his honesty. I do not believe Secretary Glickman would ever intentionally mislead this body or mislead the House or mislead anyone else. He is a person whose word can be counted on.

That does not mean that he was never incorrect. All of us get inaccurate information and Members will see referenced in those items a question that was raised. But I have no doubt in my mind that Secretary Glickman was honest and forthright and gave the best information which he had been given by his staff.

Mr. President, the question that is before us does not simply concern Secretary Glickman's letter. It ought to

be given heavy weight. He is a thoughtful, reasonable person and his preferences deserve significant consideration. But as Members ponder the question placed before us by Senator STEVENS, they must also ask themselves this question: What do you do with an official who is actively involved and supervises the repeal of a major policy decision in 1994, and a few months later in testimony before Congress conceals the fact that the policy decision was reversed and the letter stating it withdrawn, and in fact testifies to the contrary?

Mr. President, this Senate must act. We cannot turn a blind eye. If we are to complete our responsibilities and do our job, we must insist that the Under Secretary either be frank, straightforward, and honest with Congress or we must get a new Under Secretary.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I must disagree with my good friend. I understand his concern. I understand his disagreement with the Under Secretary. But I hope one might take a look at the letter from the Secretary of Agriculture. Let me read one of the things Secretary Glickman says.

When Congress differs with the Department's policies carried out by the Under Secretary, I recommend, and hope, we debate those policies on their merits; we will arrive at a much more satisfactory resolution of whatever disagreements may exist than we would by permitting policy debates to devolve into personalities.

The Secretary, who was a distinguished Member of Congress himself, was not unaware of how Members of Congress can express dissatisfaction with administration and administration policies. The Secretary served here in both Democrat and Republican administrations, as have I and the Secretary, like I have, would disagree with policies of both Democrat and Republican administrations and would fight to change those policies. But he, like I, would not think to do it by making basically personal attacks, an ad hominem attack against a member of the administration.

Secretary Glickman goes on to say:

The amendments would, if adopted, set an alarming precedent that will no doubt continue under future Administrations. The precedent will, I fear, encumber, not enhance, our ability to resolve disagreements and will unnecessarily complicate arriving at mutually acceptable public policies.

Frankly, if each time we disagree with the Secretary, or anybody else, if we take our disagreement to the floor and try to eliminate that person's job, I agree that is not the precedent to set. I say that again, as one who, over 21 years here, has disagreed with policies set by those in the administration, both Democrat and Republican. But where we have disagreed I have sought ways to change those policies either by going directly to the administration and, when unsuccessful there, to write new legislation that might change the policy. I cannot recall any time that I sought to eliminate the person's job in doing it because I daresay in virtually any policy that is going on in any administration with 100 of us, there are going to be 40 to 50 different disagreements.

Are we going to be here as in the Dracula hours of legislation, those hours when actually legislation gets voted on after dark, after our families have gone home, after our families have gone to bed, and in keeping with the new family-friendly Congress, when we finally get around to decide to start voting on these things? Are we going to have 40, 50, 60 amendments out here attacking 40, 50, 60 individuals in the administration, this administration or the next administration or the administration after that? I do not think it is the way to do it. It does not make for good legislation. It does not make for good public policy, and it does not change things that we might want to change.

It is far better, if we have differences, to go to the Cabinet member who is the head of the agency. I know Dan Glickman, the Secretary of Agriculture. I daresay there is not a Member of this body who, if he or she called Secretary Glickman, who would not get a phone call back immediately, and they would be able to talk to him.

I have worked with Secretary Lyons, who I have found to be very helpful. I have found him to be very forthright, forthright not to tell me when he disagrees with me, and he will not do the things I might want. But we either agree or we disagree. If we go off and say that somehow because we disagree with him because of the law that he should be stripped of his authority, would we not have done that in the past administration? If we wanted to do that, think of the previous Assistant Secretary under the Bush administration.

The Federal court in Seattle found the Bush administration had violated the National Forest Management Act. That is not just one individual Senator's feeling that maybe they were not following the law; a Federal court found they violated the act. Have we seen Members of the Senate on either side of the aisle rush to the floor to introduce legislation to say the Bush administration has been found by the Federal courts to be in violation of the law, and, thus, the Assistant Secretary who is in charge of carrying out that law—we are going to get rid of him? I do not recall anybody doing that.

Nobody went to strip Assistant Secretary Jim Moseley of his authority. What we did was say here is what the Federal court has ruled. Here is what we are going to do as a law, and, if we want some changes in that law so they will fit under our policies, we will vote and we will change the law. But nobody came in here and said the Federal court has said the Bush administration is not following the law, and therefore, we are going to strip the Assistant Secretary.

We have a difference of policy. We have a difference of policy. We are not changing policy by legislatively firing somebody. Section 318 means in the end it is going to have to be decided by the courts. If we fire every Assistant Secretary who loses a lawsuit, we would have fired a whole lot in the last administration and, I suspect, the administrations before them. But that is not the precedent that we want to start.

I have found the Assistant Secretary to be forthright in his dealings with me. Like everybody else in this administration, I found times when I agree and sometimes when I disagree. I have found disagreements in the members of the Clinton administration, the Bush administration, the Reagan administration, the Carter administration, the FORD administration, and all administrations which I served in. I do not ever recall having a disagreement with anybody in any one of those administrations where I came in the floor and said, ''Let us pass a law to fire him'' because of my disagreement with him. I would not want to see that precedent started. I did not see that precedent in the FORD administration nor the Carter administration nor the Bush administration, and I certainly would not want to see something to start in the present administration.

Mr. STEVENS. Will the Senator yield?

Mr. LEAHY. I yield.

Mr. STEVENS. Does the Senator recall a precedent of Jamie Whitten securing the defunding of precisely this position in 1987 for about the same reasons? This is not a partisan matter. This is not a personality matter. This has happened before. It is not a precedent.

Does the Senator know that?

Mr. LEAHY. I can think only of the things I recall on the floor of the Senate, and that was not a matter I recall on the floor of the Senate, I say to my friend from Alaska. I am saying we can change policy. We can vote to change policies. But I do not ever recall voting to support the legislative firing of any member of any administration, Republican or Democrat. That is not the way we do things in Vermont. That is not the way I do things.

I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, this is not a question of changing the law or not changing the law. As the Senator from Washington pointed out, we passed a law in the rescissions bill to facilitate the Forest Service to carry out salvaging timber operations. The law was changed, and immediately after that in dealing with Mr. Lyons, he did not agree with the law, and said as much, and said, ''I am not real happy about that. I do not think I will carry it out.'' And he said it before a

committee, the Energy Committee. So we changed the law.

If he has been less than candid and straightforward with the committees and with the Congress of the United States of America, can we also say that maybe he is less than candid when he starts advising his President and the President has to start making decisions based on the information given to him by the Under Secretary of Agriculture?

I am saying the credibility has disappeared. And he is not serving his President or this country very well. In that rescissions law there was nothing in there that told the Under Secretary of Agriculture to sign a memorandum of agreement with four other agencies or three other agencies in order to carry out the salvaging of timber, both that timber that was damaged by fire, the fires of 1988 and the fires of 1994, or the dead and dying trees that we have in our National Forest. For, you see, when a tree dies, the longer it stands it loses value, and pretty soon the value is such that they will not be bid on at all.

So if you do not like the policy that has been put forth even by the President or by the Congress, you go into a delaying action. Basically, that is what has happened here. So it is not a question of partisan politics.

It is a question of arrogance, a question of being less than candid and less than straightforward with the Congress of the United States, and I would also say probably with the President and his people who have to make decisions on policy with regard to management of natural resources on our public lands.

That is what this debate is all about. My heavens, if it was one person who disagreed with Mr. Lyons, I do not think you would hear anybody standing on this floor supporting this amendment. So the frequency and the variety of it also lends to that of being pretty much on target whenever we start trying to make some policy decisions. Here is somebody who is getting in the way of public land managers, professional land managers who know how to manage national forests, who know how to grow and harvest a product for the United States of America and for all the people who live here and yet has his own personal little agenda, and he disregards the law of the land in his dealings with the Congress of the United States.

So I rise in support of the Stevens amendment. It is not an action that we enjoy. It is not an action that is without precedents. In fact, it is an action that we would try not to be a part of but is serious.

So I support the Stevens amendment, and I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I feel inclined to share with my colleagues my own personal feeling about the process that is underway here. Ordinarily, the President has the right to name his team to carry out his policies, and that is just the way it goes. You may not agree with those policies from time to time, but ordinarily we are able to work under a situation where we are able to communicate our point of view. While we may not always prevail in a situation such as we have here, where we have both the House and the Senate controlled by one party and our executive branch controlled by another party, we can still communicate and maintain a dialog and represent our constituencies.

Now, we are able to do that with the Secretary of Agriculture. There is absolutely no question. We have invited him up to our State of Alaska. He has met with us. We have expressed concerns. He has been responsive. Unfortunately, I cannot say the same thing about the Under Secretary for Natural Resources, Under Secretary Lyons.

I serve as chairman of the Energy and Natural Resources Committee. The Under Secretary has appeared before us on numerous occasions. While this debate may seem a debate focused on the West, let us remember that we have some unique natural resources, and timber is certainly one of them. We are blessed with those resources. Timber is a renewable resource. There is an industry that is dependent on it. It previously had been managed within the Forest Service by professionals who have dedicated themselves to, and come from, an approach to forest management based on the renewability of that resource. We need wood fiber; we need timber; we need paper products. With proper management we have that capability on a sustained basis.

That has been the whole concept of harvesting within our national forests. For the most part, that process has worked. Unfortunately, we seem to have in Mr. Lyons an Under Secretary who is going to manage lands as he sees how the public lands should be managed as opposed to the professionals.

We have seen a mass exit of professional forest managers from the Forest Service within the last few years. That is, indeed, unfortunate. It is my understanding that the proposal from the senior Senator from Alaska would be to not fund the Office of Under Secretary for Natural Resources. It has been addressed that, indeed, this is not a precedent. It has been done before. The purpose would be to transfer his reporting authority directly to the Secretary.

I hope my colleagues who are not from the West have listened to this debate carefully, because you have heard from all points of the West. You have not just heard from Alaska or Colorado. You have heard from Washington; you have heard from Idaho; you have heard from Montana. All of these are areas that have been heavily impacted by this Under Secretary's management according to the world as he sees it.

I am not going to repeat the specific points that have been brought up, the references to meetings, the references to not carrying out what were perceived agreements. But clearly, Members of the Senate, we have here an Under Secretary whose policies are not working. They are not working in communications with us. They are not working in concert with us.

I think it is appropriate to reflect that, in the last year of the Clinton administration, this is the first time we have had this unique situation where we have an individual with whom we simply cannot deal. So I would encourage you to reflect that something is clearly wrong here. We have a situation that is not working.

This is an extreme action, I agree, but we have had many conversations. We have tried to work out differences. But he seems to have a personal agenda virtually disregarding those of us who have a dependence on the national forests.

This is simply not the way to carry out public administrative responsibility. I can honestly say in my efforts to communicate with Mr. Lyons, I found a total insensitivity in the manner in which, while listening to our concerns, there was virtually no policy direction toward the points that we made or the people who were affected in our various States.

So I think this action is in order. And while I listened to the comments from the Senator from Vermont suggesting this is not the way to do things, I do not know how we should do things relative to the manner in which Mr. Lyons is carrying out his responsibilities, because it is simply not working. It is not my intent, by any means, to embarrass the administration. If this were a different situation, different administration, and we had the same set of circumstances, I would like to think I would be up here doing the same thing. I firmly believe we have an extraordinary situation that we simply cannot ignore, and we would be shirking our responsibilities as Senators representing States with national forest lands to just suggest this is a situation we can live with, because clearly we cannot. So I intend to support the Stevens amendment.

I thank the Chair. I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, without losing my right to the floor, I would like to yield to my colleague from Arkansas.

Mr. PRYOR. Mr. President, I thank my colleague, Senator BUMPERS, for yielding. I am here, Mr. President, not to participate in this debate but just to state that it is now 8:20 p.m. There seems to be a large number of Senators gathering in the Senate.

I assume that means there are going to be more speakers. I am just wondering if we could get some sort of word

from the distinguished manager as to whether we might set a time certain to vote on this amendment or as to the possibility of perhaps stacking this vote early in the morning with another series of votes, otherwise we might go until midnight and never have a vote. I am just wondering if the distinguished manager might comment on this.

Mr. COCHRAN. Mr. President, if the Senator would yield to me.

I am prepared to respond and advise the Senate that the majority leader has given his consent and as a matter of fact requested that we try to identify the amendments, get time agreements on them, and stack votes tomorrow, and vote on final passage tomorrow. The point is, that we will continue to work here tonight though on those amendments we cannot agree on for votes, and with time agreements tomorrow. So this may not be the end of the session as far as the managers are concerned and Senators who have amendments.

But we know of, for instance, this amendment which will require a vote. We know the Senator from Arkansas, the Senator from Nevada, have another amendment on the Market Promotion Program; and that will require a rollcall vote. The Senator from Wisconsin, Senator FEINGOLD, has an amendment to strike special grants, research grants from this bill. And we cannot accept that, so we will have to move to table that and ask for the yeas and nays.

Those are three amendments that I know of that will require rollcall votes. We hope that the others will either not be offered or we can accept them on a voice vote and work out something that is satisfactory that would not require a rollcall vote. We are trying to see if we can do final passage on a voice vote. I would have no objection to that, if no one Senator insists on a rollcall vote. That means we could vote on the conference report when it comes back with a rollcall vote.

I am told we do have to have one vote. We have to vote on the Stevens amendment. I have just been advised on that. It would be nice if everybody got their stories straight and requests before I made these announcements like I knew what I was doing.

Mr. LEAHY. Why do we not just vote on it?

Mr. COCHRAN. I think we are prepared to vote. There are a couple other Senators that need to speak on the Stevens amendment. Why do not we do this and get the Stevens amendment over, and as we vote on that we can announce the schedule for the evening and tomorrow rather than talk about what we are doing. Rather than talk about it, let us just do it.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I will be very brief, and following the few remarks I have will move to table the amendment. So we will have a vote here very shortly.

First of all, I want to say that I understand some of the frustrations my Western Senator friends experience. Let me also say that while I am not a Western Senator, I have experienced a lot of the same frustrations but in other areas. I got terribly agitated at one time about the National Forest Service not allowing what I thought was an adequate timber cut in the Ouachitas and Ozarks that was having an adverse effect on the industry.

But let me just say—and I do not want to argue about these specific things. I know that Judge Hogan handed the Northwest a big victory this week in Federal court. That is exactly where these issues ought to be resolved. I labored 12 years under Presidents Reagan and Bush disagreeing with a vast majority of their policies and their interpretations of the law.

When I was Governor—and this is not unusual at the State level—occasionally some legislator would establish some little cabal with other members of the legislature because they had it in for somebody because they did not get what they wanted, and I would invariably have to deal with them or use a line-item veto.

Now, Mr. President, bear in mind we have serious disagreements on policy around here. We have serious disagreements on the interpretation of the law. Some people hate the Endangered Species Act and they do not want it enforced under any conditions, and so any excuse they can find to lambaste whoever is charged with the responsibility of enforcing it becomes the focal point.

But the Senate cannot be judge, jury and executioner under our Constitution. The genius of the Constitution is we have three branches of the Federal Government, Mr. President. And there is not a single Member of Congress that would change one jot and tittle. Sometimes there are so many changes proposed around here on the Constitution you would think it was just a rough draft, and that we were charged with the responsibility of finishing it.

Whether you like Bill Clinton or not, he is the President. Whether you like the people he hired or not, that is his prerogative. Whether you like the policy or not, they are charged under the last election with the responsibility of setting policy. And if you do not like the way they enforce the law, take them to court, as the Northwest did. Judge Hogan just gave, as I say, I think 1,700,000,000 feet. And that is a real victory for Oregon and Washington. I might also say that it was Bill Clinton who went to the Northwest and crafted a plan, which somebody said tonight Secretary Lyons was the focal point of this debate, Secretary Lyons crafted the agreement, and got it out from the court.

Let me remind you of something. The Northwest had been stopped dead in its tracks for timber cutting, long before Bill Clinton was elected President, by the courts. And because of the Constitution, there is not anything much anybody can do about that except appeal it or elect somebody who will change the law.

So I just want to say, I might agree with the Senator from Alaska about a particular personality, I might even agree with the Senators from Alaska, Montana and Colorado and Idaho on a policy that I think the administration is wrong on. But I have never, nor will I ever, come to the floor of the U.S. Senate and try to cut somebody's salary off or say, ''You may not, Mr. Secretary, delegate this responsibility and that responsibility to this person or this office.''

This amendment does not categorically say that we are cutting the salary of Secretary Lyons. What it says is we are giving the money from his office to the Secretary, and the Secretary is charged with the responsibility of taking away from Secretary Lyons any responsibility in the area he now administers relating to forest management issues. It is a dangerous precedent.

Finally, Mr. President, I want to remind my good friends over on the Republican side of the aisle, things always change. There is just a possibility, just a possibility, that one day in the not too distant future there will be more seats on this side of the aisle than there are on that side, there will be a Republican in the White House. You set a precedent like this, those things that are bad policy for the U.S. Senate have a tendency to come home to haunt you.

It is a very bad, in my opinion, flailing of the Constitution to say, ''Mr. Executive Branch, we will decide who you can hire. We will decide who you can keep.''

We are the legislative branch. We should recognize it and we ought to honor the Constitution and the legislative branch.

Mr. President, I move to table the amendment and ask for the yeas and nays.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. At the moment there is not a sufficient second.

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

Mr. CRAIG addressed the Chair.

Mr. BUMPERS. Mr. President, do I still have the floor?

The PRESIDING OFFICER. Yes.

Mr. BUMPERS. Mr. President, I do not know how many more people want to speak around here. Everybody has been parading to my desk to say, ''Let us vote. Let us vote.'' I thought everybody on this side that spoke—even the Senator from Idaho had forsaken his chance for 5 minutes.

Mr. BAUCUS addressed the Chair.

Mr. CRAIG addressed the Chair.

Mr. BAUCUS. Would the Senator not move to table for maybe 5, 6 minutes? I think the Senator from Idaho would

like to make a brief statement, and certainly I would like to make a brief statement.

I would urge the Senator to withhold.

Mr. BUMPERS. Mr. President, I want people who have not spoken to have the opportunity to do so. If the Senator from Idaho wants to speak for 5 minutes; the Senator from Montana wants to speak for 5 minutes, I am not going to disagree with them.

Let me propound this unanimous consent request: That the Senator from Idaho be given 5 minutes and the Senator from Montana 5 minutes, after which I will be recognized to table the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, a great deal of what the Senator from Arkansas has spoken to this evening is true. He and I do not disagree in the way that policy should be managed. We may disagree on the substance of policy, but I think both he and I respect the process, and we certainly respect the law.

The great frustration we have this evening, Mr. President, when we talk about this particular Under Secretary, is his arrogance in ignoring the law. Right after this administration came to power and this Under Secretary took power, he inherited a set of draft regulations that were being formulated as a result of this Congress under Democrat rule having passed an appropriations bill with appeals language. Very specifically, that bill spoke to the kind of appeals language we wanted to see inside the U.S. Forest Service.

This Under Secretary ignored that law, ignored the draft regulations, and went in an opposite direction totally. That is why we have this fight on the floor tonight. Amongst other things, he ignored the law. He ignored law that was crafted by a majority Democrat Party of the U.S. Senate.

That is the reality we are facing. Try to find a reason to defend this man for his actions and my guess is, you will have difficulty.

I would like to add to the RECORD a letter tonight which speaks to how this Under Secretary has handled his responsibility.

This letter is addressed to Michelle Gilbert, U.S. Department of Justice, Environment and Natural Resources Division, and it says:

> This letter is to inform you that the Northwest Forest Resource Council will move this week for an order to show cause to hold Jim Lyons in contempt of court.

Yes, the judge ruled, but Under Secretary Lyons ignores. That is what we are facing.

I would agree with you, we should not be crafting policy in the public courts of this land, but when a member of this administration ignores the law and the court tells him to do something and he continues to ignore it, then one finds it necessary to move for contempt of court. It is beyond my memory that any member of the Bush administration was held in contempt of court. That is why I very reluctantly agree with the Senator from Alaska.

This is no way to deal with anyone in Government, but when nothing else can deliver the message to this person, and now he is being held in contempt of court, it is time that this Senate speaks out. Time and time again, he has ignored our actions.

I cannot understand why anyone from either side of the aisle would argue in defense of this person when he puts together a Forest Service reorganization plan and begins to implement it and does not even seek our counsel. We have that responsibility to craft public policy. We demanded that he come up here, and that was a bipartisan request.

The Senator from Montana is here. The Under Secretary attempted to wipe out a major unit of the Forest Service in that Senator's State. And we said, ''No, that is no way to run this place. Come sit down with us and work out the differences,'' and we finally forced him to do that.

That is why the Senator from Alaska, and a good many of us, have thrown our hands in the air and said, ''What are we to do if we write law and it is ignored. This individual is ultimately gutting an organization in a way that makes it incapable of managing the public laws of this land that we have passed?''

So I hope tonight the Senate will uphold the motion of the Senator from Alaska and not vote to table. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I am not going to take my full 5 minutes. We are presented with a problem here. On the one hand, those of us who know Under Secretary Lyons, who have dealt with him, at the very least, question his policies and question the advisability of him staying in office. On the other hand, I think we all agree that it probably is not wise, and it is not good policy to fire somebody by legislation.

The better route would be for us to change policy when we disagree with what an administration is doing, and work to try to get the person involved to change the views he has taken.

I, frankly, am disappointed with Under Secretary Lyons for many reasons. I supported his confirmation, voted for the confirmation. Unfortunately, due to a whole host of things that have occurred, some of which have been referred to tonight, I must say the time has come, in my judgment, for Under Secretary Lyons to gracefully tender his resignation.

I do not support the amendment before us, only because I think this is just not good policy. It is not good policy for us by legislation to fire somebody in the executive branch. There are better ways of doing this. I urge Senators to not support the amendment offered by the Senator from Alaska. But I also urge Under Secretary Lyons to not only listen to the words, but listen to the music and realize that he should probably leave.

We have a saying in the West that when someone has crossed the line and gone too far ''he's broken his pick.'' Regrettably, Under Secretary Lyons has broken his pick in the West. The time has come to make some changes, not by legislation, but by urging Secretary Lyons and the administration to find some graceful way for him to no longer hold the position that he now has.

So I urge my colleagues to oppose the amendment, and I strongly urge not only Under Secretary Lyons but others involved to take appropriate action and put this matter to rest.

Mr. BUMPERS. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment. 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 Vermont [Mr. JEFFORDS] and the Senator from Kansas [Mrs. KASSEBAUM] are necessarily absent.

I further announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''nay.''

Mr. FORD. I announce that the Senator from North Dakota [Mr. DORGAN], the Senator from Ohio [Mr. GLENN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from New York [Mr. MOYNIHAN] are necessarily absent.

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

The result was announced—yeas 42, nays 51, as follows:

[Rollcall Vote No. 446 Leg.]

YEAS—42

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Harkin	Murray
Bradley	Heflin	Nunn
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Kennedy	Reid
Byrd	Kerrey	Robb
Conrad	Kerry	Rockefeller
Daschle	Kohl	Sarbanes
Dodd	Lautenberg	Simon
Exon	Leahy	Wellstone

NAYS—51

Abraham	Chafee	DeWine
Ashcroft	Coats	Dole
Bennett	Cochran	Domenici
Bond	Cohen	Faircloth
Brown	Coverdell	Frist
Burns	Craig	Gorton
Campbell	D'Amato	Gramm

Grams	Lugar	Shelby
Grassley	Mack	Simpson
Gregg	McCain	Smith
Hatch	McConnell	Snowe
Helms	Murkowski	Specter
Hutchison	Nickles	Stevens
Inhofe	Packwood	Thomas
Kempthorne	Pressler	Thompson
Kyl	Roth	Thurmond
Lott	Santorum	Warner

NOT VOTING—7

Dorgan	Jeffords	Moynihan
Glenn	Johnston	
Hatfield	Kassebaum	

So the motion to lay on the table the amendment (No. 2696) was rejected.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2696) was agreed to.

Mr. COCHRAN. 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 Senator from Mississippi.

UNANIMOUS-CONSENT AGREEMENT

Mr. COCHRAN. Mr. President, I am going to propound a unanimous-consent agreement in hopes the Senate will approve our setting over until tomorrow all remaining votes on amendments that require votes. So I put the following request.

I ask unanimous consent that all remaining amendments in order to H.R. 1976 under the previous consent agreement must be offered and debated tonight and that any rollcall votes ordered with respect to those amendments be postponed to occur beginning at 9:45 a.m. on Wednesday.

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. He is just reserving.

Mr. CONRAD. Mr. President, I ask the managers, we have worked for some time today to try to figure out if there was a way of working out an amendment. We have just received word from CBO that the means of paying for it are not acceptable, and I am wondering if there is a way for us to have the evening and potentially a vote tomorrow; that we have a place reserved for a vote if we are able to find an offset, but one that might not be agreed to on both sides so that we can at least have a vote.

Mr. COCHRAN. Mr. President, if the Senator will yield under his reservation, I think that certainly would be possible in this way. The Senator can offer his amendment tonight, say whatever he wanted to in support of it, and I could move to table it and ask for the yeas and nays. That will be voted on tomorrow. The Senator could be assured that there would be a vote on his amendment tomorrow.

Mr. CONRAD. Let me ask this. Will the managers agree to permit me to modify the amendment, if we were able to find an alternative means of financing it, overnight, working collectively, together?

Mr. COCHRAN. Mr. President, if the Senator will yield further, I certainly would not arbitrarily or capriciously refuse a legitimate request for a modification. If the amendment is changed entirely in its nature, I could not agree to that.

Mr. CONRAD. No, if we were to have a gentleman's understanding—I have full faith in the word of the Senator from Mississippi and in his good faith.

Mr. COCHRAN. I think the Senator could be assured we would not arbitrarily refuse such a request.

Mr. CONRAD. That will certainly be sufficient for me. Would we be modifying, then, this unanimous-consent agreement, or would it not require a modification?

Mr. COCHRAN. I do not think it is necessary with that understanding.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

The Senator from Arkansas.

Mr. BUMPERS. Reserving the right to object, the Senator from North Dakota has an amendment for which he has not yet found a suitable offset. It needs to be understood by everybody, if he offers the amendment tonight he will be offering it without an offset. That is, I assume, the modification that he wants to make, as soon as he hears from CBO.

What we need to clarify for sure is, if the Senator from Mississippi moves to table his amendment tonight, the agreement should be that even though a motion to table had been made, that he would have a right before the vote tomorrow to modify, to set out what the offset is. Is that a fair statement?

Mr. COCHRAN. That accurately reflects my assurance and the understanding I would be happy to have with the Senator.

Mr. FORD. Will the Senator yield for a minute? I ask the manager of the bill, should that not be in the agreement? If the offset is found, it has to be agreeable, I suspect, to the manager. You just would not take any arbitrary offset.

Mr. COCHRAN. I am not agreeing to support the amendment, that is what I am saying.

Mr. FORD. I just want to be sure that someone who is not here tonight, in all respect to their position and their ability, if it is not in the unanimous-consent agreement and they come in here and object to it—even though the Senator is very persuasive that does not happen—then my friend from North Dakota is excluded, I think, from making his modification once the Senator has moved to table and ask for the yeas and nays.

Mr. COCHRAN. I respect the suggestion. I have no problem including that in this agreement if the Senator would like to insert that in this agreement.

Mr. FORD. I think the Senator needs to do that, and I hope he would.

Mr. COCHRAN. Mr. President, I modify the request to include the right of the Senator from North Dakota to modify his amendment to show a different offset on tomorrow.

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

Mr. COCHRAN. Mr. President, for the information of all Senators, there will be no further votes this evening. However, Senators who intend to offer amendments must remain this evening to debate those amendments, and any rollcall votes ordered with respect to the amendments would occur beginning at 9:45 a.m., in a stacked sequence.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. BUMPERS. Will the Senator yield?

Mr. FEINGOLD. Yes.

Mr. BUMPERS. Mr. President, I wonder if we could have a time agreement with the Senator from Wisconsin, a 20-minute time agreement with 15 minutes to the Senator from Wisconsin and 5 minutes for the managers.

Mr. FEINGOLD. That is agreeable.

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

The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, thank you.

AMENDMENT NO. 2697

(Purpose: To prohibit the use of appropriated funds for the special research grants program that are not subject to a competitive approval process)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself and Mr. MCCAIN, proposes an amendment numbered 2697.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SPECIAL RESEARCH GRANTS PROGRAM.

(a) IN GENERAL.—None of the funds made available under this Act for the program established under section 2(c) of Public Law 89–106 (7 U.S.C. 450i(c)) may be used for a grant that is not subject to a competitive process and a scientific peer review evaluation by qualified scientists in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector.

(b) DEFICIT REDUCTION.—Any funds made available under this Act that are not expended because of subsection (a) shall revert to the general fund of the Treasury for deficit reduction.

Mr. FEINGOLD. Mr. President, the amendment I am introducing tonight will make a very simple change to the way in which some of USDA's research funds are distributed.

Right at the beginning, let me just correct a statement by the senior Senator from Mississippi which I think

was just a brief description. He suggested that our amendment would strike the special purpose grant within the Department. It does not do that at all. It does not change the amount of the grant. It changes the way in which the grants are given. It requires a competitive approach rather than what is, in effect, an earmark approach.

So I want to be very clear throughout this debate that we are not striking the grants nor changing the way they would be given out.

The amendment would require any funds appropriated under the Special Research Grants Program within the Cooperative State Research Education and Extension Service be subject now to scientific peer review by scientists outside of USDA and that all research grants be awarded under this program on a competitive basis.

I am happy that the senior Senator from Arizona [Mr. MCCAIN] is a cosponsor of the amendment as well.

This particular program, the Special Research Grants Program, provides grants to State agricultural experiment stations, 1,890 institutions and land grant colleges to carry out applied agricultural research in fulfillment of USDA's mission to encourage and support agricultural research within the federal land grants and other research institutions. In conjunction with the many other programs conducting agricultural research, the Special Grants Program has helped foster important agricultural research.

As members of this Chamber may be aware, I have been working with bipartisan coalition of Senators to reduce the amount of so-called pork barrel spending in appropriations legislation. This amendment is intended to further that goal by addressing what I call hidden pork in this appropriations bill. The Special Research Grants Program while fairly straight forward on the surface, is actually not what it seems upon closer inspection.

USDA's Special Research Grants Program receives a single appropriation each year to fund the many grants for agricultural research conducted by universities around the country. Last year, Congress provided $52 million for these special research grants. This year, the Senate Appropriations Committee has provided about $50.5 million for special grants, of which some $9.8 million is to be focused on improved pest control research.

The funding for this program is very straightforward with only four lines devoted to it in H.R. 1976.

However, when I looked at the committee report accompanying this bill, I noticed an extensive list of projects that the Committee has recommended for funding under special research grants. I counted over 90 in all for this upcoming fiscal year. Looking at last year's conference agreement, I found 121 such projects, most of which are identified by one or more states.

Then I learned, that in fact, while these projects are not technically earmarks, in that they are not line-itemed in the actual appropriations legislation, USDA treats them exactly as if they were earmarks.

So they are in the committee report. But they end up being treated like earmarks. Of the 121 projects recommended for funding last year, all but one grant was awarded and that single grant had its funds rescinded. Based on information I received from USDA, of those 120 projects, not a single grant was awarded on a competitive basis and each grant was made in accordance with the Agricultural appropriations Subcommittee's recommendations.

I am sure that are many Members in this Chamber who will tell me that committee reports of course are technically non-binding. That may be technically true, but if the agency administering the program considers those recommendations to be binding, they most surely are. Mr. President, the recommendations for projects to be funded under the Special Research Grants Program are most certainly earmarks. Every Member of this Chamber who has even had a project in his/her State recommended for funding under this program, or has asked for a project to be on that list of recommendations, knows that is the case.

In fact, in the bill before us today, very little of the money proposed to be provided to universities will be awarded competitively and subject to scientific peer review. These institutions listed in the committee report simply submit their proposals and receive their funds with few questions asked by the agency.

I do not want to pick on any particular State or university, but I think it is important that Members understand specifically what projects they are agreeing to fund under this program. Let me just list a few of the 90 some projects that are earmarked in the committee report: there are recommendations for eight separate research projects relating to aquaculture to be provided to six different universities for a total of $2.5 million for fiscal year 1996. Some of those recommendations are for projects that are described by the committee, others are for research generally on ''Aquaculture''. We have earmarks for: $300,000 for molluscan shellfish research at Oregon State University; $127,000 for multicropping strategies for aquaculture—University of Hawaii; $370,000 for Chesapeake Bay aquaculture—University of Maryland; $305,000 for seafood and aquaculture harvesting, processing, and marketing research—Mississippi State University; $308,000 for alternative marine and fresh water species research—Mississippi State University.

And then there are the less descriptive earmarks: $592,000 aquaculture, Mississippi State University; $330,000 aquaculture, Louisiana State University; $169,000 aquaculture, University of Illinois.

All totaled $2.5 million earmarked for eight different research projects on aquaculture for six different research institutions.

Should not it be enough for Congress to merely recommend that aquaculture, generally, be a research priority and leave the specific projects, funding amounts and research institutions up to the USDA and external peer-review panels.

Mr. President, here is a sampling of some of the other projects that the Senate will be earmarking in this bill: $296,000 for jointed goatgrass research by the Washington State University; $303,000 for soybean cyst nematode research—University of Missouri; $162,000 for peach tree shortlife research at Clemson University.

Some of the projects have vague descriptions such as ''forestry'' or ''dried beans,'' so it is difficult to know what the designated institutions will be doing with the money nor is it clear why these are projects of national priority that they are specifically identified in the committee report.

Mr. President, the question for my colleagues is not whether research on aquaculture, jointed goatgrass, or the soybean cyst nematode should be conducted. That is not at issue.

At issue is whether Congress should be making these very technical decision for the agricultural sector and for the USDA.

First, should Congress be defining for USDA research specialists the current research needs of agriculture down to the exact dollar and facility conducting the research?

Second, should Congress determine which research projects have the greatest scientific or economic merit?

Third, should Congress pick and choose among competing research institutions and decide, based on political circumstances, which Universities should receive the funding?

Fourth, is it at the business of Congress to decide how much of taxpayer dollars each project should receive? Can Congress effectively determine for over 90 research projects what costs are reasonable and which ones are not?

Mr. President, I believe that in a time of shrinking Federal dollars for vital agriculture research, the answer to all four of these questions has to be ''no.'' Congress is not equipped to make these decisions, and it should not be our job to make those decisions. In too many cases too many projects are being funded for political reasons rather than scientific reasons. An agricultural researcher's chance of getting Federal tax dollars should not depend on whether that researcher has a person on the Appropriations Committee.

The amendment I am offering today ensures that research moneys under the Special Research Grants Program will be awarded to research institutions that submit proposals for projects that are consistent with the research needs of agriculture, that are competitive with respect to the cost of

the project and the non-Federal matching funds, and have scientific or economic merit as determined by an external peer review panel.

Congress under this can still recommend projects for funding, but those recommended projects will have to compete among a pool of other qualified research institutions. If they cannot pass the competitive test of merit and peer review, then the project should not and will not be funded.

In 1994, the National Research Council stated that there remains considerable scope for expansion of the use of competitive grants at USDA and, equally important, the use of peer review.

The advantages of this different more competitive approach are indisputable.

First, competitive grants are responsive and flexible and can be adjusted to agricultural funding priorities consistent with national needs and the public interest.

In 1993, before the Senate Subcommittee on Agriculture Research, the GAO reported that congressional earmarking of research dollars was identified as one of the factors inhibiting USDA from focusing research dollars on current research priorities.

During that same hearing, USDA witnesses indicated specifically that congressional earmarking had prevented them from redirecting research dollars for the more current needs.

Second, competition attracts new scientists, researchers and economists to an area of research typically reserved to a few select institutions with entree to Congress. That can only be good for research that attempts to solve otherwise unresolved problems.

Third, competition in grant awards provides taxpayers and farmers with greater assurances that limited research dollars are being spent wisely and in the most cost-beneficial manner possible. It is that last point that I think is really critical.

Over the last 25 years, USDA's research budget in terms of real dollars has actually declined. Of course, now in our efforts to balance the budget research funds will probably continue to take greater hits. The proposed budget for CSREES research in fiscal year 1996 is down $14 million from fiscal year 1995. Compared to just 2 years ago, the funding for the Special Research Grants Program alone is down by $18 million.

Congress can no longer afford to operate the way we have for the last 25 years. It is time to open up the Special Research Grants Program to competition and peer review. While this programming accounts for only 5 percent of the budget, it accounts for about one-third of the nonformula research grants made by the agency, so it is pretty substantial. It is a critical component of this Nation's research agenda for agriculture.

So to conclude, let me be clear. My amendment does not cut any funding for the Special Research Grants Program. It does not, as was stated earlier in the Chamber, strike any of that funding. It merely imposes a process whereby research grants will be directed towards the most relevant research in the most cost beneficial manner. I think we owe it to taxpayers and consumers and farmers and others in the area of agriculture to adopt this amendment, and I urge my colleagues to support it.

I reserve the remainder of my time and yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time under the agreement as I may consume.

The debate about special grants and research projects for agriculture is not a new debate. There have been differences of opinion about how much should be allocated for basic research, how much should be in applied research, whether the Agriculture Research Service Federal laboratories ought to do it all, whether State land-grant universities and the experiment stations attached to them should do some of the research and, if so, how much? What is the role of State government in all of this? Do they have an obligation to participate? Are matching funds to be required in every instance for research and the construction of research facilities?

There are a lot of different issues involved in the agriculture research portion of this bill. We have tried to carefully review the requests this committee has received from Members of Congress, from outside groups, from others—the administration in its budget request.

We have considered their suggestions to try to have a careful and thoughtful balance among all of these competing interests and to do it in a way that safeguards the interests of the taxpayers that their dollars not be wasted.

There is no question that this bill is loyal to the responsibility of assuring that these dollars are invested to benefit American agriculture. They are not boondoggles. They are not pork barrel projects with no merit. As a matter of fact, many studies have documented the substantial public benefits which result from these investments in agriculture research. We need to maintain our technological advantage in American production agriculture to help ensure that our farmers can continue to operate profitably and protect the soil and water resources we have that are in many cases very fragile. And so we have a lot at stake in how these dollars are spent. We want them to be spent correctly.

The debate really is in some instances not on whether the research ought to be done but who does it and who decides who does it. This argument about peer review is suggesting that those who are the self-styled and self-anointed experts decide.

As Members of the Congress we have the responsibility of ensuring the careful and frugal expenditure of public taxpayer dollars so we are directly accountable and answerable to the public for any appropriation of funds along these lines that we approve. I am not ready to delegate the responsibility that the people of my State of Mississippi have entrusted in me to come here and help ensure that our State's interests, our State agriculture interests are taken into account in the research decisions that are made.

I am not going to delegate to some fancy group of scientists in some other State the authority to decide where the tax dollars that are paid by Mississippians are spent in agriculture research. I am not sure they will always come down on the side of the agriculture interests that we have in our region. So I wish to continue to play a role in it, and to do that we have to continue to exercise our responsibilities as Members of the Congress to determine how our tax dollars are spent.

That is what this bill does. It gives our colleagues and this Senate, a voice in where these dollars go and for what they are spent. The argument for competitive peer-review grants versus special grants, in my opinion, focuses on who is going to make the decisions regarding the allocation of Federal funds among competing legitimate demands. There is competition between the experiment stations, land-grant institutions, and other institutions.

It has been suggested that since each system has strengths and weaknesses, the arguments about the merits of the system should be cast in terms of the relative mix rather than their absolute merit. But we think we have done a good job.

Mr. President, $707 million for basic and applied research in this bill will be conducted at Federal laboratories, $40.7 million will go to special grants, and $99.5 million will go to competitive grants through the National Research Initiative. We think special grants play an important role because they address special local and regional needs. The authority for these special grants is spelled out in the law, Public Law 86–106. This authority provides that grants may be awarded to State agriculture experiment stations, land-grant colleges, universities, and other qualified institutions for the purposes of facilitating or expanding ongoing State-Federal food agriculture research programs.

Those who argue against these special research grants suggest that just because they are recommended by Members of Congress they have no merit or not as much as if they had been recommended by somebody else. I disagree with that. And so I think this is based on an erroneous assumption. The Senate ought to reject the amendment. I argue strongly for Senators to oppose the amendment offered by the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the Chair and I thank the Senator from Mississippi. I admire his leadership in the agriculture area.

Let me use the brief time I have remaining to respond to a couple of points he has made about our amendment.

First of all, I just do not see how it is possible for a committee, despite its tremendous efforts with the staff and resources of the Appropriations Committee, to make this kind of sophisticated analysis and competitive determination that is sufficient to make a fair determination of competition.

The Senator says these are meritorious projects. I do not deny that. Certainly many of them are meritorious. How do we know? What is the criteria for evaluating whether or not the 120 out of 121 projects that were mentioned in the committee report last year were actually of merit to justify the taxpayers' dollars?

And given the comments of the Senator from Mississippi, in particular, how he does not want this process left up to a fancy group of scientists, well, this is about a $50 million program. The National Research Initiative, Mr. President, is a $100 million program, and that is left up to a fancy group of scientists. We do have peer review when it comes to $100 million worth. Why not have that fancy group of scientists—actually that is what they are, people who know what they are talking about from an economic and agricultural point of view—why not have those people handling the other $50 million and make it a fair competition?

What it comes down to, Mr. President, is what kind of competition are we going to have? The Senator from Mississippi fairly points out there is a competition of sorts for these earmarks. It is a political competition. It is a question of political muscle, who has got the most muscle to get a grant. I suggest that we need a different kind of competition, a competition based on merit. Many of us were elected and many of us particularly last year who came to this body were elected on the notion that we should run this Government like a business on the basis of merit, on the basis of quality, quality control. That is what this is all about, having some quality control in the midst of a very well intended series of efforts to improve agricultural research in this country. I thank the Chair and I urge my colleagues to support the amendment.

Mr. President, I yield back the remainder of my time.

Mr. COCHRAN. Mr. President, has all time been used on the amendment under the agreement?

The PRESIDING OFFICER. All time has expired.

Mr. COCHRAN. Mr. President, I think we have other amendments that can be disposed of tonight, or argued.

I notice the Senator from Nevada and the Senator from Arkansas have a Market Promotion Program amendment which they intend to present. The Senator from North Dakota has an amendment which he can propose and describe, if he chooses, at this time or we can defer it to later.

But we are going to proceed to try to meet the challenge of getting all these amendments argued tonight so we will know what we are going to vote on tomorrow. We appreciate the cooperation of the Senators.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 2698

(Purpose: To provide that producers of a 1995 crop are not required to repay advance deficiency payments made for the crop if the producers have suffered a loss due to weather or related condition)

Mr. CONRAD. I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 2698.

Mr. CONRAD. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . REPAYMENT OF ADVANCE DEFICIENCY PAYMENTS FOR 1995 DISASTER LOSSES.

(a) IN GENERAL.—Notwithstanding subparagraphs (G) and (H) of section 114(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445j(a)(2)), if the producers on a farm received an advance deficiency payment for the 1995 crop of a commodity and suffered a loss in the production of the crop due to weather or related condition, the producers shall not be required to repay an amount of the payment that is equal to, subject to subsection (b), the product obtained by multiplying the applicable crop acreage base and the farm program payment yield.

(b) LIMITATIONS.—The amount of the payment that the producers on a farm are not required to repay under subsection (a) shall—

(1) not exceed $2,500; and

(2) not be available for production on which crop insurance coverage is available, as determined by the Secretary of Agriculture.

(c) FUNDING.—Up to $35,000,000 that has been made available to carry out the export enhancement program established under section 301 of the Agriculture Trade Act of 1978 (7 U.S.C. 5651) during fiscal year 1996 may be used to carry out this section.

Mr. CONRAD. I thank the Chair. I appreciate the patience and the indulgence of the Chair as well.

Mr. President, I will try to be brief. The amendment that I have sent to the desk would deal with a very serious problem that is developing around the country. I am sure it affects producers in the State of the Chair; I am certain it affects the producers in the States of the managers. It deals with the problem of producers suffering crop losses this year because of very serious planting problems that developed around the country.

In many parts of the country we had excess moisture; in other parts of the country we had an extraordinary wave of heat that dropped the value of crops and in many cases destroyed crops for our producers.

Unfortunately, producers lucky enough to plant a crop were often met with these difficult conditions, and in some cases producers were not able to get a crop at all. The result is that producers who had the expense of planting a crop received an advance deficiency payment.

On wheat that amounted to 35 cents a bushel. Because of the crop situation in this country and around the world, prices then went up dramatically, which will require farmers to repay those advance deficiency payments, and in some cases they do not have a crop at all. In other words, farmers are being sent a large bill but have no crop from which to derive income to pay the bill back.

Now, in previous years a disaster payment would have been available to meet this situation. But now we do not have a disaster payment. We do have crop insurance. And what my amendment would do is say to producers, to the extent your crop could not be covered by crop insurance, you would be forgiven the advance deficiency payment if you have had a crop failure. We would also attach an additional provision. We would provide that no farmer would get more than $2,500 in forgiveness of advance deficiency payments.

Now, I understand $2,500 may sound like a lot to some people. To farmers who have very large expenses, it may sound like not much, but at least it would help offset the costs of putting in a crop, not getting any production, and then being expected to repay an advance deficiency payment when you have no income with which to pay it. And again I want to emphasize to my colleagues, we have provided that this is only available to the extent that crop insurance could not cover the crop affected.

In other words, let us say that a farmer took out the 75 percent coverage under crop insurance; only the 25 percent that could not be covered under crop insurance would be eligible for this forgiveness of advance deficiency payment. So on no bushel, not one, would any farmer receive crop insurance and a forgiveness of an advance deficiency payment.

In addition, if a farmer had chosen only to get 60 percent coverage and 75 percent coverage was available, he would only qualify as if he had the 75 percent coverage. Obviously we do not want to create a perverse incentive by saying to the guy that went out and purchased the 75 percent coverage, ''You know, you were a fool to do that because the Government is going to come in here and at least forgive your

advance deficiency payment on that part not covered by crop insurance.''

So we have tried to target this in a way that makes sense. We worked with the Congressional Budget Office. They now tell us this would cost $35 million. We have offset that by reducing the amount available for the Export Enhancement Program next year by that $35 million. In other words, we say reduce by up to $35 million the amount available in the Export Enhancement Program for next year in order to fully pay for the forgiveness of advanced deficiencies for farmers who had disaster this year.

Again, I think we have crafted this in a careful way. Let me just say that this year on the EEP program we had $800 million authorized. We know we are going to only use $400 million. We had $800 million authorized, and we will use something less than $400 million.

I say to my colleagues, at least for the purposes of getting this to the conference committee, let us have a vehicle out there that allows us to forgive these advanced deficiencies to a total of $2,500 per farmer, and only on those bushels where they do not have crop insurance or could not have had crop insurance to offset some of the disaster we see around the country.

Many parts of the country—I know in the South the cotton crop was adversely affected by unusual heat. It came at a critical time and as a result that crop was damaged. In my part of the country we had flooding, most unusual flooding. I know in the State of the Chair, that flooding and wet conditions were serious. As a result, we have a whole series of disease problems.

With that, I would thank the chairman for his assistance this afternoon and this evening in trying to put something together.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, when the Senator from North Dakota brought this amendment to my attention and said that he would offer it, my immediate reaction was I favored it. I thought it certainly tried to do some of what we were doing yesterday, or endeavoring to do, when we offered the disaster assistance proposal to benefit those cotton farmers in the South who had suffered such terrible losses this year because of the infestation of army budworms, tobacco budworms, beet army worms.

These damages were heightened and made much worse because of the serious weather conditions. The excessive heat in many areas of our State, and I think this is true of Alabama and other Southern States, made this disaster possible. We are told by the entomologists and the experts this is a weather-related disaster, but it is more commonly referred to as infestation of pests that have caused these damages. In my State alone, over $100 million in losses are going to be sustained, they say, by cotton producers alone.

So I think this amendment may very well help some of those farmers. They were denied any extra help under the amendment that we had before the Senate on a rollcall vote. I think one of the reasons that amendment was defeated is because it was crop specific; it was targeted only to cotton producers. This amendment is not targeted to any specific kind of crop or farmer or region or State.

Before we get to a point of voting on the amendment, I am going to try to find out from those who know whether it will apply and provide assistance to Mississippi cotton farmers. I may end up voting for the amendment. I hope I can support it. But at this time tonight, I am not able to recommend approval of the amendment, because of the questions about the offset and the scoring.

If it is going to cost $35 million, where does the Department, or the ones making these estimates, think the benefits will go? Will they all go to the prairie, the North part of the farm belt, the Dakotas and that part of the country, and if so, how will it actually work? So there are questions that we still have to explore, and I hope by tomorrow when we get to a vote on this amendment, we will have those answers.

I am certainly not going to criticize the Senator for bringing this amendment up. My heart is where his is, and that is with these farmers who have sustained these terrible damages. I regret that the crop insurance program that we have now is big on promise but short on delivery of benefits to help in the recovery from serious disasters. That is what we learned, I think, in Mississippi this year, that the new Catastrophic Crop Insurance Program is a disaster in itself.

There has been a lot of hype. Farmers were told, ''Don't worry, you're automatically eligible for these benefits. For $50, you're signed up.'' It sounded too good to be true, and guess what? It is too good to be true, because the benefits they are getting do not nearly equal what others had been getting from ad hoc benefit assistance programs in the past. They were told, ''You are going to get about the same level of benefit that you would have under a disaster assistance program passed by Congress.'' It has not turned out that way. I sympathize with the farmers who have been misled and have not bought additional insurance to make up for what their losses could have been.

Those are my reactions to the amendment, and comments. We will have an opportunity to vote on the amendment tomorrow.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, might I just say that this has been designed with all farmers in mind. This has not been designed to benefit just one region or one crop. We know that losses have been severe throughout farm country from different situations in different parts of the country. In our part of the country, in an unusual turn of events, we have had too much water. That is a rarity in North Dakota, I might say. We have a million acres not planted in the State of North Dakota. That is truly a rarity.

But we know that there are different circumstances. In Indiana, they had excess heat at the time the crop was forming and, as a result, significant losses. I know Missouri has had the same problem North Dakota has, and terrible disease problems as a result of excess moisture. I know Mississippi has had problems as a result of weather conditions there.

The one thing farmers cannot do much about are the vagaries of weather and price. This year, prices have shot up, and that is terrific for those farmers who have a crop, but if you do not have a crop, it means you are going to have to pay back your advance deficiency payment at the very time you do not have the crop to get the income to pay it back.

I had a farmer call me the other day and he said, ''Senator CONRAD, I have a bill coming due to pay back my advance deficiency payment, $8,000. I got no crop, and I got no money. I had the expense of planting. I had the expense of fertilizing, and I had the expense of putting it all in. Then we had disastrous flooding. So I've got no crop, and I have a bill coming due for another $8,000, and there's no way I can pay it. It is really not fair.''

And just as the Senator from Mississippi described, those of us who are very wary of this notion of doing away with disaster programs, we are right because the crop insurance program does not make up for the lack of a disaster program. For many producers, that is going to be a disaster in and of itself.

I thank the Chair and yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2699

(Purpose: To provide that funds made available for the market promotion program under this Act may be used to provide cost-share assistance only to small businesses or Capper-Volstead cooperatives and to cap the market promotion program)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. If there is no objection, the pending amendment will be set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mr. BRYAN, proposes an amendment numbered 2699.

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

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

The amendment is as follows:

On page 65, line 18, before the period at the end, insert the following: '':*Provided further*, That funds made available under this Act to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to associations described in the first section of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 22, 1922 (7 U.S.C. 291). *Provided further*, that such funds may not be used to provide cost-share assistance to a foreign eligible trade organization: *Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000''.

Mr. BUMPERS. Mr. President, this morning the Senate voted rather decisively—I believe it was 59 to 41—not to abolish the Market Promotion Program. Several Senators said to me they did not much like the program, but some industry in their State benefited from it or some agriculture cooperative in their State benefited from it.

And so my objection to the Market Promotion Program is that it is for the very biggest corporations in America, and at a time when we are trying to cut Medicaid and welfare and everything else, to reward the biggest corporations in America with Federal largess is inconsistent and, I think, almost immoral.

So Senator BRYAN and I have crafted an amendment that we think will meet, certainly meets our objections, and we believe it will meet the concerns of Senators who feel obligated to vote for market promotion every year.

There are four points to it. First, we eliminate the eligibility of foreign trading organizations. Right now, roughly $10 million of this money goes to foreign corporations. We eliminate them.

Second, we convert it into something of a small business program, because we make small businesses eligible and small business will be determined by the Small Business Administration. Generally, these businesses range in the area of 500 employees and gross sales of $50 million a year.

If people want to put their money where their heart is, maybe I should say where their mouth is, here is an opportunity to do something for small business to help them export, because they need more help, where big corporations do not.

Third, we make all the agricultural cooperatives in the country eligible. They are eligible now, and they stay eligible, and I know a lot of Members of the Senate voted for this because they have a cooperative. I have one in my State, Riceland Foods, who does a lot of exporting.

So we make all cooperatives of all sizes eligible under the amendment.

And fourth, we reduce the funding from $110 million to $70 million. You make it an attractive, palatable program that gives small businesses a chance to export. You take care of the agricultural interests because you allow the agricultural cooperatives to still apply for and be eligible for grants to help them export. You eliminate foreign corporations, which I think everybody will applaud and perhaps they will applaud louder for the reduction of $110 million to $70 million than anything else, a savings of $40 million. We do not take the $40 million and allocate it someplace else. It can go on the deficit. You could not find a better place for it.

Mr. President, those are all the remarks I care to make on it tonight. I will be glad to yield the floor.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I thank the Chair. Mr. President, the hour is late, and this has been debated extensively during the course of the last day or two.

Let me commend my colleague from Arkansas. He and I, it is clear I think to all Senators, if given a preference would like to eliminate the program.

We have tried, he and I together, for the past several years—and prior to my arrival in this body, I am sure he was trying even then—and it is $110 million in the appropriations bill this year. As he just pointed out, this is a carefully crafted compromise. We have preserved the right for small businesses, as defined under the Small Business Administration, to be eligible to participate in this program. We eliminate foreign companies from their eligibility. I think the more current number my colleague mentioned was $10 million. The information I have in the current year is that the program currently provides some $12 million. So we eliminate all foreign companies.

Certainly, my colleagues would agree that the American taxpayer has no business in providing money for the advertising accounts of foreign companies. Certainly, we ought to be able to agree to that. As he pointed out, the various co-ops in the country, representing a broad diversity of products that are exported abroad, would continue to be eligible as they are under current law under this program, and we limit it to $70 million.

We made some progress. The last time this issue came before us for a vote, my recollection is that we got 38 votes. This morning, we got 41 votes. That is incremental progress, and I suppose we should be grateful for that. But in an effort to accommodate the concerns that a number of our colleagues that say, look, we are not enamored with the program, but it provides help to small businesses, it provides assistance to local co-ops involved in export promotion, this is the compromise that is offered in good faith. I hope my colleagues—particularly those who have rejected efforts in the past to eliminate this program—will take a fresh look at this approach and say, look, we tried to strike a reasonable and responsive balance—not going as far as the Senator from Arkansas and I would like to go, but recognizing the concerns that a number of our colleagues have with respect to small businesses, and agricultural co-ops, and to eliminate the money that currently goes to foreign companies, some $12 million, and to try to at least begin to wean these programs from their current level of expenditure, which is $110 million, and to reduce that to $70 million.

I urge my colleagues to reconsider their previous position and support this amendment, which is offered in the spirit of compromise.

I thank the Chair and yield the floor.

Mr. COCHRAN. Mr. President, we have had a lot of discussion about the market promotion program today and yesterday. Last night, we were here on the floor for an hour—these three Senators—talking about this program and their amendment to actually do away with all funding for the program—cancel it, kill it. We had a full debate. We voted on a motion to table their amendment. The motion was agreed to by about 60 to 40, about the same amount of the vote that was cast earlier this year when the Senate rejected, by a vote of 61 to 37, the same proposal on the bill—the rescission bill, the supplemental we had before the Senate. April 6 was the date of that vote.

The point is this has already been fully discussed. I am not going to take a lot of time to argue against the amendment. I am going to make one point since this is a different approach to this issue.

This amendment seeks to rewrite the program, in effect, not only to authorize the funding at a lower level, which I think is $70 million, but to change a number of the provisions of the bill with legislative language, in effect, describing the kinds of eligible entities who can apply for funds under the market promotion program—the size of the entities, character of the entities, description about ineligible applicants. My problem with that is not that these may not be good suggestions, but that the Senate is being asked to function as a legislative committee.

Think about that, Mr. President. We are trying to function as a committee of the whole. They do that in the House when they go into session as a committee of the whole to take up amendments to legislation, and then the House actually reports the bill or approves the bill, and they have a vote on the legislation itself. But here in the Senate we do not have a committee of the whole. We have legislative committees that have that responsibility.

I think it is a big mistake to have legislative proposals presented to the Senate for the first time, a case of first impression, here in the Senate Chamber and we are called upon to listen to a few minutes of debate or, as is the

case tonight, with almost nobody here but those of us here who are managing the legislation, to listen to the argument and make a decision based on what is best for this program. Should this program be reauthorized? And how should it be managed? What would the level of funding be? These are decisions for the legislative committee to make. They are to look at the options. They are the experts.

Senator BUMPERS is not on the Agriculture Committee. Senator BRYAN is not on the Agriculture Committee. Maybe they should be on the Agriculture Committee. Maybe they want to be on the Agriculture Committee and they are frustrated. They would like to have the opportunity to help write this authorization bill that we are going to be writing in the Agriculture Committee as a part of our reconciliation instruction. And I am told by those who are familiar with some of the proposals in the committee that there will be changes in this program recommended by the Agriculture Committee, and that there may be a reduction in the funding authorized by that committee. That is for them to decide.

We should not be on an appropriations bill trying to legislate a new kind of program. So I have a serious problem with the procedure. I urge the Senate to reject this amendment. It is an amendment that we cannot accept, and I hope that the Senate will follow the decision that it made earlier on this bill, on a similar amendment offered by these distinguished Senators.

Mr. President, as I understand the procedure, we need to get the yeas and nays ordered on the amendments that we have not been able to accept, so that votes will occur tomorrow.

UNANIMOUS-CONSENT AGREEMENT

Mr. COCHRAN. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays on those amendments that will require record votes, and they are: The Feingold amendment, the Conrad amendment, and the Bryan-Bumpers amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I now ask for the yeas and nays on those three amendments.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, for the information of Senators, there are several amendments we have agreed to take and to recommend that they be included in this bill. We have a package, a managers package that will be presented to the Senate. We will do that tonight.

Other than that package of amendments, which have been cleared on both sides, I know of no other amendments that are going to be offered, or intend to be offered, tonight. But just to be sure, I am going to yield the floor and await a call from the Cloakroom or someone coming to the floor to offer an amendment that we may not have heard about, that is described in the agreement and that would be eligible to be offered tonight. We expect to hear from anybody who intends to offer one that we have not indicated a willingness to accept.

Mr. BRYAN. If the Senator will yield, I am sure my colleague and I have no further amendments. Has there been a time set, or a sequence for the votes to occur on the amendments offered this evening?

Mr. COCHRAN. Under the agreement, there is time. It starts at 9:45 a.m. on Wednesday. The sequence would be, I presume, the order in which the amendments were offered. The yeas and nays were granted. So the sequence would be the Feingold amendment, the Conrad amendment, and the Bryan-Bumpers amendment.

Mr. BRYAN. That is certainly acceptable to me. Mr. President, I have a further question. If I might inquire of the chairman, is there any time allocated under the protocol that we are adopting for tomorrow to explain any of these amendments? I know that, previously, we have had arrangements where each side is given a couple of minutes. I simply inquire.

Mr. COCHRAN. Mr. President, I am advised 4 minutes equally divided has been made part of the agreement. That is the understanding.

Mr. BRYAN. I thank the Chair.

Mr. COCHRAN. For the clarification of this situation, of course I will be happy to read this agreement.

Let me read it, and if there are any problems, we will be told about it, I am sure, by Senators who have any questions.

ORDERS FOR WEDNESDAY, SEPTEMBER 20, 1995

Mr. COCHRAN. 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 Wednesday, September 20, 1995; that following the prayer, the Journal of proceedings be deemed approved to date; the time for the two leaders be reserved for their use later in the day, and then there be a period for morning business until the hour of 9:40 a.m., with Senator FORD recognized for up to 20 minutes.

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

Mr. COCHRAN. I further ask unanimous consent that at 9:40 a.m. the Senate then immediately resume consideration of H.R. 1976, the agricultural appropriations bill, and there be 4 minutes equally divided on the Feingold amendment, to be followed by a rollcall vote on or in relation to the Feingold amendment.

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

Mr. COCHRAN. I now ask unanimous consent that following the disposition of the Feingold amendment there be 4 minutes for debate to be equally divided in the usual form, to be followed by a modification by Senator CONRAD, if necessary, and that following the modification, the Senate proceed to vote on or in relation to the Conrad amendment.

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

Mr. COCHRAN. I further ask that following the disposition of the Conrad amendment there be 4 minutes to be equally divided in the usual form, to be followed by a vote on or in relation to the Bumpers amendment.

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

Mr. COCHRAN. I further ask that following the disposition of the Bumpers amendment that H.R. 1976 be read for a third time without any intervening action or debate.

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

PROGRAM

Mr. COCHRAN. For the information of all Senators, the Senate will resume consideration of the agricultural appropriations bill tomorrow morning. Under the previous order, there will be three rollcall votes beginning at 9:45 a.m. tomorrow. In addition, also following disposition of the agricultural appropriations bill the Senate will begin consideration of the foreign operations appropriations bill. Therefore, votes can be expected to occur throughout Wednesday's session of the Senate.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The Senate continued with consideration of the bill.

AMENDMENTS NOS. 2700 THROUGH 2706, EN BLOC

Mr. COCHRAN. Mr. President, we do have a list of amendments which we will present to the Senate and ask for their approval.

An amendment offered by Senators DORGAN and CONRAD on flooding at Devils Lake, North Dakota; an amendment offered by Senator DOLE providing funds for the Agricultural Research Service Grain Marketing Research Lab; an amendment offered by Senator ABRAHAM eliminating certain USDA advisory committees; an amendment for Senator GORTON regarding a timber regulation.

Mr. BUMPERS. Mr. President, on that amendment, is that the Gorton-Murray amendment?

Mr. COCHRAN. It is an amendment proposed by Senators GORTON, MURRAY, and BURNS.

Mr. BUMPERS. No objection.

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

Mr. COCHRAN. And an amendment offered by Senator BENNETT regarding the Colorado River Basin salinity control program; an amendment offered by

Senator FEINGOLD regarding rural development program; an amendment offered by Senator LEAHY regarding a research facility.

Mr. President, these are amendments that we have reviewed and have been cleared on both sides of the aisle. I send the amendments to the desk en bloc and ask they be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi, [Mr. COCHRAN] for other Senators, proposes amendments Nos. 2700 through 2706.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments (Nos. 2700 through 2706) are as follows:

AMENDMENT NO. 1700

(Purpose: To express the sense of the Senate on United States-Canadian cooperation for relief of flooding in Devils Lake Basin, North Dakota)

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE ON UNITED STATES-CANADIAN COOPERATION CONCERNING AN OUTLET TO RELIEVE FLOODING AT DEVILS LAKE IN NORTH DAKOTA.

(a) FINDINGS.—The Senate finds that—

(1) flooding in Devils Lake Basin, North Dakota, has resulted in water levels in the lake reaching their highest point in 120 years;

(2)(A) 667,000 trees are inundated and dying;

(B) 2500 homeowners in the county are pumping water from basements;

(C) the town of Devils Lake is threatened with lake water nearing the limits of the protective dikes of the lake;

(D) 17,400 acres of land have been inundated;

(E) roads are under water;

(F) other roads are closed and will be abandoned;

(G) homes and businesses have been diked, abandoned, or closed; and

(H) if the lake rises another 2 to 3 feet, damages of approximately $74,000,000 will occur;

(3) the Army Corps of Engineers and the Bureau of Reclamation are now studying the feasibility of constructing an outlet from Devils Lake Basin;

(4) an outlet from Devils Lake Basin will allow the transfer of water from Devils Lake Basin to the Red River of the North watershed that the United States shares with Canada; and

(5) the Treaty Relating to the Boundary Waters and Questions Arising Along the Boundary Between the United States and Canada, signed at Washington on January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the ''Boundary Waters Treaty of 1909''), provides that ''. . . waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.'' (36 Stat. 2450).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States Government should seek to establish a joint United States-Canadian technical committee to review the Devils Lake Basin emergency outlet project to consider options for an outlet that would meet Canadian concerns in regard to the Boundary Waters Treaty of 1909.

Mr. CONRAD. Mr. President, I appreciate this opportunity to let my colleagues know about the very serious flood my State is experiencing. Devils Lake is located within a completely closed basin with no outlet—much like the Great Salt Lake.

Due to several years of above-average rainfall, the lake has risen over 13 feet and increased in size by two-thirds within the past 2 years. The ever-advancing waters of Devils Lake have caused millions of dollars in damage to roads, farmland, public facilities and private property.

The Devils Lake flood has been especially difficult for farmers and ranchers in and near the basin. Eighty to 90 percent of the pasture and hayland around the lake are affected by the flood. Fields are flooded, roads used by producers are inundated with water, and wet conditions kept many farmers from planting last spring.

If water levels continue to rise—as they are likely to do for the foreseeable future—the lake could overrun the dike protecting the city of Devils Lake, threatening lives and causing millions more dollars in damage.

Let me give you just a few facts about this terrible flood: The water level of Devils Lake has risen 13 feet in the past 2 years, and is at its highest level in 120 years; Federal agencies have spent over $30 million to mitigate this disaster, including more than $21 million from the Federal Highway Administration to fix flood-ravaged roads; The Corps of Engineers recently placed a protective berm around the Minnewaukan city sewage lagoon because it was about to be overtaken by the lake. When constructed in 1956, the lagoon was more than 8 miles from the lake—8 miles, Mr. President; 1,768 Disaster Survey Reports of damage to public property have been submitted to FEMA's Disaster Field Office. 2,082 claims for Disaster Unemployment Assistance have been approved; and 2,500 homes in Devils Lake are pumping seepage from their homes, and many have basement floors that are heaving because of high water levels.

Much has been done to deal with the flood so far.

Federal Emergency Management Director James Lee Witt formed an interagency task force to deal with this disaster. Director Witt formed the task force to bring every relevant Federal, State and local agency togther—with the active participation of many Devils Lake Basin residents—to examine every feasible solution and work to find answers to this flood. The task force recently issued its report which identifies 17 action items to help mitigate the flood's damage.

One of the most promising of those action items is the construction of an outlet from Devils Lake. An outlet could drain water from the lake and help prevent further—and catastrophic—damage. The Corps of Engineers and the Bureau of Reclamation are in the process of studying a long-term lake stabilization plan that would make an outlet possible. Mr. President, this problem is of such enormity that every option must be considered.

However, an outlet raises international considerations. Water drained through an outlet would flow into the Sheyenne River, which in turn flows into the Red River of the North, which flows northward into Canada. Canadian officials have expressed concern about an outlet due to water quality issues. The Boundary Waters Treaty of 1909 provides the basis for protection of boundary waters interests of both the United States and Canada.

As a result, it is critically important that both the State of North Dakota and the U.S. Government work with Canadian officials as outlet plans are considered. The U.S. State Department participated in the interagency task force which has considered Devils Lake flood relief options. I was in Devils Lake recently and encouraged efforts to involve Canadian officials, especially from the province of Manitoba, in discussions of flood relief efforts.

Mr. President, it is precisely because of our desire to work with our neighbors to the North that my colleague and I introduce this amendment. Allow me to read from the amendment before us:

. . . It is the sense of the Senate that the United States Government should seek to establish a joint United States-Canadian technical committee to review the Devils Lake Basin emergency outlet project to consider options for an outlet that would meet Canadian concerns in regard to the Boundary Waters Treaty of 1909.

In short, the amendment says two things. First, Devils Lake Basin flooding is a serious problem. Second, we want to work with the Canadians to find a treaty-compliant way to resolve it. The committee would seek to find a way to construct an outlet while fully complying with the treaty. Only by seeking the active participation of Canada can this project go forward.

Let me be clear, Mr. President, it is in the best interest of my State and of our Nation to work with Canadian officials to assuage their concerns about an outlet. That is why this amendment emphasizes the importance of the treaty, and states that the committee should work to meet Canadian concerns regarding the treaty.

Mr. President, I urge my colleagues to support this amendment.

Mr. DORGAN. Mr. President, this sense of the Senate Amendment to H.R. 1976 is in response to the devastating flooding being experienced within the State of North Dakota. This amendment will provide for a joint United States-Canadian technical committee to review the Devils Lake basin emergency outlet project and consider options for an outlet that would meet Canadian concerns regarding the Boundary Waters Treaty of 1909.

The Devils Lake basin is an enclosed basin (no outlet) with water loss through natural evaporation from the lake surface during periods of drought. With more rain than drought in recent

years, the surface of the lake has been rising dramatically. In 1993, the surface of Devils Lake totaled 44,000 acres, today it covers over 72,000 acres. Eighty to 90 percent of the pasture and haylands around the lake have been flooded, saturated, or isolated by flood waters. There are eight counties represented in the Devils Lake basin. In just two of these eight counties, flooding has impacted 247,000 acres (nearly 386 square miles). For comparison, the District of Columbia covers only 67 square miles.

In the basin above the lake level, where crops can still be grown, the rains of this spring allowed only about half of the normal planting of small grains (wheat, durum, barley, and oats). Wet conditions also prevented proper weeding with the result that crop yield is expected to be significantly reduced.

Six hundred sixty-seven thousand trees in the basin are now flooded and will probably die within the next year.

Tribal roads and facilities have also been flood damaged. Tribal authorities report that their manufacturing (Dakotah Tribal Industries, Sioux Manufacturing) has declined in an area where unemployment is about 60 percent.

WE DESPERATELY NEED RELIEF FROM THIS NATURAL DISASTER

The Corps of Engineers in association with the Bureau of Reclamation plus other Federal and State agencies is investigating the feasibility of solutions to perennial flooding in the Devils Lake basin. Among the potential solutions, there are expected to be an outlet from the basin to relieve the flooding and an inlet to stabilize the lake level during periods of drought.

The outlet would allow basin water to reach the Red River and eventually the Hudson Bay in Canada. Some Canadian officials are concerned that releasing water from the Devils Lake basin could potentially allow the introduction of foreign biota and higher levels of dissolved solids to their vital waters. The Boundary Waters Treaty of 1909 between the United States and Canada states, in part, that ''. . . water flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.'' It is implicit from our treaty obligations that the governments involved in this issue should commence technical discussions.

I urge my colleagues to approve this ''no additional cost'' amendment to establish a joint United States-Canadian technical committee for the review of the Devils lake emergency outlet project. I understand that this amendment has been cleared on both sides, and I thank the chairman, Senator COCHRAN, and the ranking member, Senator BUMPERS, for their support and cooperation.

AMENDMENT NO. 2701

(Purpose: To fund the Grain Marketing Research Laboratory in Manhattan, Kansas)

On page 13, line 23, insert the following after ''law'': '': *Provided further,* That of the funds made available under this heading for the National Center for Agricultural Utilization Research, not less than $1,000,000 shall be available for the Grain Marketing Research Laboratory in Manhattan, Kansas''.

AMENDMENT NO. 2702

(Purpose: To eliminate certain unnecessary advisory committees)

At the appropriate place in title VII, insert the following:

SEC. 7 . ELIMINATION OF UNNECESSARY ADVISORY COMMITTEES.

(a) SWINE HEALTH ADVISORY COMMITTEE.—Section 11 of the Swine Health Protection Act (7 U.S.C. 3810) is repealed.

(b) GLOBAL CLIMATE CHANGE TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

AMENDMENT NO. 2703

On page 84, line 1, insert the following new section:

SEC. 730. Upon the date of enactment of this Act, the Secretary of Agriculture shall immediately withdraw Federal regulation 36 CFR Part 223 promulgated on September 8, 1995, for a period of no less than 120 days; provided that during such time the Secretary shall take notice and public comment on the regulations and make the necessary revisions to reflect public comment. Any fines assessed pursuant to 36 CFR Part 223, from the effective date of said regulation to the date of enactment of this Act, shall be null and void. During the 120 day period, the interim regulatory guidelines published pursuant to 55 CFR 48572 and 56 CFR 65834 shall remain in effect.

Mr. GORTON. Mr. President, today I offer an amendment to the fiscal year 1996 Agriculture Appropriations bill that would delay final regulations implementing the 1990 Forest Resources Conservation and Shortage Relief Act. This act governs the export of State and Federal logs in the Western United States.

Since 1990 the timber industry in the States of Washington, Oregon, Idaho and Montana has operated under interim regulations promulgated to enforce the 1990 law. The legislation is very complicated, and sets up a series of requirements for companies that wish to export State or Federal logs. Consequently, the regulations implementing the law must be very precise, and an entire industry—for the most part—must react to any regulations on this subject with painstaking attention to the details.

On Friday, September 8, the Department of Agriculture implemented—effective immediately—final regulations implementing the 1990 log export law. Let me say this again—the regulations were made effective immediately. The final regulations were dramatically different than the regulations as initially proposed, and, as a result completely and totally overwhelmed the timber industry in the Pacific Northwest.

The regulations are overly burdensome, and must be re-written. Let me give you a brief example of the specificity of these regulations, and why any rational person would not make the effective date immediate on the regulations.

For example, the regulation establishes a procedure for exporting finished lumber. When a company exports lumber, the new regulations require that company to keep in its possession for each shipment or order, a lumber inspection certificate, and a company certificate to ensure that export restricted timber is in fact processed before export.

The regulation establishes a procedure for marking Federal and private timber that originates from within a sourcing area. All private timber that is harvested inside a sourcing area must be marked on both ends of the log with highway yellow paint, before it can be removed from the harvest area. This paint signifies that the logs must be domestically processed. Based upon the industry reading of the regulation, this provision appears to apply to logs that will be processed in the company's own mill. The log must be marked throughout the entire process, from harvest to ''mill in-feed,'' no matter how many times it has been cut.

The regulation establishes a procedure for disposing of private timber that originates from within a sourcing area. The regulations mandate a complex procedure of identification, notice, paperwork and record keeping process. The process is as follows:

Before a company sells any export restricted private timber, that is, private timber that originates from within a sourcing area, the selling company must do the following: Give notice to the purchaser that the timber cannot be exported; give notice that the timber has been marked and the mark must be retained; agree to send in the transaction statement to the Regional Forester within 10 calendar days; retain records of acquisition and disposition for 3 years from the date of manufacture or disposition, and make such records available for inspection by the Forest Service; acknowledge that failure to identify the timber as mentioned above and to accurately report is a violation of the act, and the ''False Statement Act''; certify that the form has been read and understood. The purchasing company is required to follow a similar set of requirements.

As you can tell, the regulations are specific, and would require some major adjustments to current operating practices. When this is coupled with the fact that a violation of each aspect of the regulation carries with it a potentially heavy fine, it is clear that these regulations must be delayed.

According to the regulations, fines can be assessed for each violation—which includes the omission of just one paint stripe on a log. In addition, civil penalties are high—the Forest Service has the discretion, based upon the nature of the violation, to assess penalties of up to $500,000 or three times the gross value of the timber involved,

plus the option to cancel all Federal timber contracts.

This Senator believes that a regulated entity—whether it's a small business or a big business—deserves to understand a set of regulations before it is implemented. This is just common sense. To do the opposite, as was done in this case—to blind-side an industry with draconian regulations that have never been reviewed by the regulated community—certainly fans the flame of anti-government sentiment.

My amendment, co-sponsored by Senator MURRAY and Senator BURNS, would delay the regulations for 120 days. During that 120-day period the regulations issued on September 8 would be treated as proposed regulations, affected parties would have the opportunity to comment on the regulations, and the Department is required to make the necessary revisions based upon such comments. During this 120 day period, the interim regulations would remain in place, and any fines assessed based upon the September 8 regulations would be null and void.

This amendment is not controversial. This amendment makes common sense, and I urge my colleagues to support my amendment.

AMENDMENT NO. 2704

On page 25, line 14, strike $564,685,000 and insert $563,004,000.

On page 37, line 8, strike $1,000,000 and insert $2,681,000.

AMENDMENT NO. 2705

(Purpose: To clarify that tourist and other recreational businesses located in rural communities are eligible for loans under the Rural Business and Cooperative Development Service's Business and Industry Loan Guarantee Program)

On page 44, line 16, before the period insert the following: ''*Provided further*, That loan guarantees for business and industry assistance funded under this heading shall be made available to tourist or other recreational businesses in rural communities''.

AMENDMENT NO. 2706

On page 14, strike on line 12, ''40,670,000'' and insert in lieu thereof, ''42,670,000''.

On page 15, strike on line 17, ''$419,622,000'' and insert in lieu thereof ''$421,622,000''.

On page 82, reduce ''$800,000,000'' by $4,444,000.

Mr. LEAHY. Mr. President, I thank the managers for accepting this amendment. It is my intention, and our understanding, that the additional funds included by this amendment, will be used to find the President's request submitted by the Department of Agriculture on page 9–32 of the fiscal year 1996 budget request of the Department of Agriculture.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendments en bloc.

The amendments (Nos. 2700 through 2706) were agreed to.

Mr. COCHRAN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mrs. BOXER. The U.S. Department of Agriculture's Animal and Plant Health Inspection Service recently issued a proposed rule governing the importation of Mexican Hass avocados into the United States. The proposed rule would allow Hass avocados to be imported into the Northeastern United States during the winter months of November through February.

I support the House report language concerning the Department of Agriculture's Animal and Plant Health Inspection Service proposed rule on the importation of Mexican avocados.

The House Committee report language, although not a permanent solution, adequately cautions the USDA to ensure scientific credibility on pest risk assessment and risk management, ensure that the USDA will commit the resources necessary to ensure sufficient oversight, inspection, and enforcement of any importation system which may result, and ensure that the avocado industry is provided the opportunity to give input on any proposed regulatory changes.

California avocado growers have expressed their continued concerns that a USDA proposed rule inadequately protects their industry from harmful pests or disease that imported avocados may carry.

I am very concerned about the potential impact of the proposed rule on avocado growers in California. There are about 7,300 avocado growers in the United States, 6,000 of whom are in California. On average, these hard-working farmers produce about 300 million pounds of avocados a year, and last year they produced $250 million worth of fruit.

But this proposed rule is not just about the avocado industry. It is about pests that threaten the $18 billion a year California agricultural industry: an industry that generates $70 billion a year in economic activity. California's agricultural industry is primarily export-driven, and even the hint of pest infestation threatens trade, as we have recently seen with Japan and the medfly threat.

The State of California and the Federal Government have spent more than $217 million since 1980 to combat periodic fruit fly infestations. Even with this significant commitment of resources, certain Mediterranean fruit fly eradication efforts remain under-researched and under-funded. The 34 pests that APHIS claims are commonly found in avocados grown in Mexico could devastate California agriculture. Many pests found in Mexico infest citrus, grapes, apples, and other agricultrual products.

California avocado growers are very concerned that APHIS lacks the resources to enforce the phytosanitary restrictions in the proposed rule. I share their concern. APHIS states in the proposed rule that it ''agrees that adequate resources and personnel, especially inspectors, would have to be devoted to prevent introduction of avocado and other plant pests into the United States.''

The Agriculture Quarantine and Inspection budget is primarily user-fee funded. Funds are kept in a dedicated account and are subject to annual appropriations. Although the budget is not slated for cuts in the fiscal year 1996 agriculture appropriations bill, the question remains whether it is realistic to assume that the current funding level is sufficient to cover the additional needs created by this proposed rule. For example, the transhipment of Hass avocados within the United States will be very difficult to control without an aggressive monitoring program.

Since 1914, it has been the policy of the United States to prohibit the entry of fresh avocados with seeds from Mexico and certain other countries of Central and South America. This quarantine, although specifically directed at seed weevils and moths, has also proven effective in preventing infestation of fruit flies, and other pests found in Mexican avocados which would adversely impact not only U.S. avocado production but numerous other fruit and vegetable crops in California, Arizona, Texas, Florida, and other States. I believe that current policy should continue until all of the legitimate concerns of the avocado industry are addressed.

Our quarantine against Mexican avocados is not unique. It is important to remember that pest-free fresh avocados enter the United States from other countries, such as Chile, which also prohibits entry of Mexican avocados due to pest risks.

Mexico has yet to implement an effective pest eradication or control program. As recently as July 1993, USDA officials concluded that Mexican avocados continue to pose a significant threat of introducing plant pests into the United States. Although the proposed rule details safeguards to be taken by Mexican growers and packers as well as strict oversight by APHIS, there is still no evidence that effective pest control and eradication programs have been developed and implemented by Mexico.

Unless Mexico implements a comprehensive and effective pest eradication and control program in its growing areas, USDA policy must ensure that the health of U.S. agriculture and consumers is not threatened.

Unfortunately, in the Senate committee report language on Mexican avocados the Senate committee does not concur with the House language and says that the Department published regulations to address the concerns about the protection of domestic avocado production after House action on this issue. While it may be true that the proposed rule was published after House action, the rule does not sufficiently address concerns and would allow Hass avocados to be imported into the Northeastern United States

during the winter months of November through February.

I urge my colleagues to carefully reconsider this issue as they prepare to go to conference with the House, and urge them to defer to the House on this issue.

Ms. SNOWE. Mr. President, I request permission to engage the senior Senator from Maine and the chairman of the Agriculture Appropriations Subcommittee in a brief colloquy. As the chairman knows, new fungicide-resistant strains of the late blight potato fungus are causing serious damage to potato crops in a number of potato-growing States. Maine has been hit particularly hard by late blight over the past several years. To address this problem, the Congress provided $1.4 million for late blight control and research in Maine through extension in 1994, and it provided $800,000 for the Maine program in the current fiscal year through the Smith-Lever pest management funds. USDA officials have informed our offices that another $800,000 has been included in the President's budget for this purpose in fiscal year 1996 under pest management.

Mr. COHEN. I fully concur with Senator SNOWE that this funding is critical to helping potato growers in Maine and other States protect their crops from the devastation of late blight. We note that the committee has provided $10.9 million for pest management in its fiscal year 1996 bill, which is the same as the amount appropriated in the current fiscal year. Is it the chairman's understanding that the President's fiscal year 1996 budget request for this account includes $800,000 to continue this late blight control program in Maine?

Mr. COCHRAN. Mr. President, I would like to point out that the committee recognizes the very serious threats to potato production posed by late blight, and the heavy damage that has been incurred to date in Maine and other States. In response to the Senators' question, I can confirm that the President's fiscal year 1996 budget request for pest management does include $800,000 to continue the late blight control program described by the Maine senators.

Ms. SNOWE. On behalf of the Maine delegation, I would like to thank the Chairman for clarifying this matter.

AGRICULTURAL RESEARCH SERVICE

Mr. CONRAD. As the Senator from Arkansas is aware, H.R. 1976 provides funding for the Agricultural Research Service to continue operating the ARS potato research facility in East Grand Forks, Minnesota, as an ARS worksite. Research direction and administration will be shifted to a primary ARS laboratory. The ARS Red River Valley Agricultural Research Center Northern Plains Area office in Fargo, North Dakota is located just 75 miles away, and is well equipped to handle administrative functions for the East Grand Forks facility. Is it the Senator's understanding that ARS should transfer the administrative responsibilities called for in this legislation to the Fargo ARS facility?

Mr. BUMPERS. The Senator is correct. ARS should transfer administration of the East Grand Forks facility to the ARS research center in Fargo, North Dakota.

Mr. CONRAD. Would the Chairman of the Subcommittee indicate whether he has the same understanding?

Mr. COCHRAN. I do agree with the Senator regarding the Fargo ARS center.

Mr. DORGAN. In addition, the bill contains funding for the Animal and Plant Health Inspection Service to continue a cattail management program for blackbird control. Is it the Subcommittee's intention that APHIS should continue to use a portion of those funds for cattail management and blackbird control in North Dakota?

Mr. BUMPERS. The Senator is correct. APHIS should continue using a portion of available funds to continue the cattail management program in North Dakota.

Mr. COCHRAN. Let me add that I share Senator BUMPERS' understanding.

DISTANCE LEARNING AND MEDICAL LINK FUNDING

Mr. KERREY. I would like to ask the distinguished chairman for assistance in dealing with two matters that are very important to me and the people of Nebraska.

The Distance Learning and Medical Link Program was designed to demonstrate the ability of rural communities to utilize existing or proposed telecommunications systems to achieve sustainable cost-effective distance learning or proposed medical link networks.

In Nebraska, there is a distance learning partnership between the School at the Center Project, the Nebraska Math and Science Initiative, Project EduPort and the Nebraska Rural Development Commission that would provide access to advanced telecommunications services and computer networks and improve rural opportunities.

Another program designed to provide much needed technology to rural communities is the Rural Community Advancement Program (RCAP). Included in RCAP is the Rural Business Enterprise Grant Program.

The Nebraska Department of Economic Development operates a program for innovative information technology applications that assists small and rural Nebraska businesses in becoming more competitive through effective use of information technology and telecommunications.

I feel that these are the types of projects contemplated under the Distance Learning and Medical Link Program and the Rural Business Enterprise Grant Program, and I would ask the chairman to join me in encouraging the Department to give consideration to funding both of these proposals.

Mr. COCHRAN. The committee did urge the Department to give consideration to funding a number of applications for both of these programs. I appreciate the Senator bringing these proposals to my attention. I would urge the Department to give equal consideration to these applications as those included in the committee report.

Mr. BUMPERS. Mr. President, I have been advised that Senator HEFLIN has two colloquies. These have not been submitted and will be submitted tomorrow.

Mr. President, let me make this unanimous consent request: Following the final vote on the Bumpers amendment, that it be in order if the colloquy has been submitted at that time and accepted by the floor managers, that a colloquy by Senator HEFLIN and Senator COCHRAN be eligible to be submitted for the RECORD, and a Heflin colloquy with Senator COCHRAN on agricultural weather stations, that those two be in order to be inserted in the RECORD prior to final vote.

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

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

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

COOPERATIVE STATE RESEARCH EXTENSION AND EDUCATION SERVICE GRANTS

Mr. LEVIN. Mr. President, my colleague from Michigan, Senator ABRAHAM, and I would like to engage the distinguished manager of the bill in a brief colloquy regarding an important Cooperative State Research Extension and Education Service [CSREES] grant that has supported innovative work conducted by Michigan State University [MSU] and the Michigan Biotechnology Institute [MBI]. Through CSREES support, MSU/MBI have been working to commercialize agricultural technologies, particularly those that stimulate new uses for agricultural commodities, from our Nation's universities and Federal laboratories.

Mr. ABRAHAM. Due in part to past CSREES Special Research Grant support, MSU/MBI has succeeded in creating five new companies using agricultural technologies. One company was created to market a new biodegradable plastic resin for applications such as plastic knives, forks and spoons used in fast food establishments. The new resin has all the benefits of conventional petroleum-based technology but you can throw it away and it will decompose without adding to our nation's landfills. This research has created new companies, new jobs, and increased Michigan's tax base. I strongly support these efforts.

Mr. LEVIN. The House fiscal year 1996 Agriculture Appropriations bill proposes to fund the Michigan Biotechnology Consortium—also read Institute—at $1 million. This is approximately a 50% reduction from the FY95 level of $1.995 million. I understand that the budget deficit demands sacrifice from all agencies and grant recipients, but a 50% cut will severely affect the cutting-edge work done by and the pace of technological innovation at MBI.

The Senate FY96 Agriculture Appropriations bill does not include funding for MBI under CSREES. However, the Senate conferees have receded to the House level for MBI in past years, with strong support from the Michigan Congressional delegation. I urge the Senate Conferees to once again accept the House's funding level and, if possible, return MBI funding to its FY95 level.

Mr. COCHRAN. I am aware of the valuable CSREES work that has been conducted by MSU/MBI. I assure my colleagues from Michigan that I will revisit MBI's FY96 funding in conference and will remember the Senators' strong support for MBI.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:48 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 464. An act to make the reporting deadlines for studies conducted in Federal court demonstration districts consistent with the deadlines for pilot districts, and for other purposes.

S. 532. An act to clarify the rules governing venue, and for other purposes.

The message also announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 641. An act to reauthorize the Ryan White CARE Act of 1990, and for other purposes.

The message further announced the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 83. Joint resolution relating to the United States-North Korea Agreed Framework and the obligations of North Korea under that and previous agreements with respect to the denuclearization of the Korean Peninsula and dialogue with the Republic of Korea.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 42. Concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.J. Res. 83. Joint resolution relating to the United States-North Korea Agreed Framework and the obligations of North Korea under that and previous agreements with respect to the denuclearization of the Korean Peninsula and dialogue with the Republic of Korea; to the Committee on Foreign Relations.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 42. Concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus; to the Committee on Foreign Relations.

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–1451. A communication from the Comptroller General, transmitting, pursuant to law, the report on the status of budget authority that was proposed for rescission in the special impoundment message for fiscal year 1995 (dated February 6, 1995); referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, Committee on the Budget, Committee on Agriculture, Nutrition and Forestry, Committee on Banking, Housing and Urban Affairs, Committee on Commerce, Science and Technology, Committee on the Environment and Public Works, Committee on Finance, Committee on Labor and Human Resources and the Committee on Small Business.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–291. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Agriculture, Nutrition, and Forestry.

''SENATE CONCURRENT RESOLUTION

''Whereas, family violence is a severe problem in Texas, accounting for more than 22 percent of violent crime in the state; and

''Whereas, victims of family violence are frequently handicapped in their efforts to leave their abusers because of lack of support and shelter; and

''Whereas, current restrictions on food stamp applications may force some victims to return to their abusers due to requirements that a victim must seek and obtain refuge in a battered women's shelter to qualify for immediate reissuance of food stamps; and

''Whereas, in all of Texas there are only 62 full-service battered women's shelters, and these are frequently too crowded to accept new victims; and

''Whereas, the current federal policy frequently punishes victims of family violence: Now, therefore, be it

''*Resolved*, That the 74th Legislature of the State of Texas hereby memorialize the Congress of the United States to enact legislation to amend the food stamp program by adding a special provision to allow food stamp workers to reissue food stamp benefits to family members fleeing from domestic violence, regardless of where they seek refuge, provided the families present evidence that they were or are victims of domestic violence; and, be it further

''*Resolved*, That the Texas Secretary of State forward official copies of this resolution to the President of the United States, the president of the senate and speaker of the house of representatives of the United States Congress, and all members of the Texas delegation to the Congress with the request that this resolution be entered in the Congressional Record as a memorial to the Congress of the United States.''

POM–292. A resolution adopted by the Council of the Township of Old Bridge, Middlesex County, New Jersey relative to demonstration programs; to the Committee on Appropriations.

POM–293. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Appropriations.

''SENATE CONCURRENT RESOLUTION 87

''Whereas, chronic fatigue and immune dysfunction syndrome is the medical term for a group of symptoms that include debilitating fatigue, fever, depression, and a reduced ability to undertake normal daily activities or to function productively; and

''Whereas, the disease affects people of all ages, interrupting the education and employment of those afflicted and imposing enormous social costs ranging from burdensome medical expenses to increased demand for disability payments and other social services; and

''Whereas, the syndrome was first recognized 10 years ago, but there has been little effort to find either a cause or a cure for the disease, with the result that patients are often misdiagnosed, receive inadequate medical treatment, and can face difficulty in receiving social services and public assistance; and

''Whereas, both present and future generations would benefit greatly if the resources of government were marshalled to eliminate the personal and social costs of this insidious and debilitating disease: Now, therefore, be it

''*Resolved*, That the 74th Legislature of the State of Texas hereby memorialize the Congress of the United States to increase federal funding for research relating to chronic fatigue and immune dysfunction syndrome; and, be it further

''*Resolved*, That the Texas Secretary of State forward official copies of this resolution to the President of the United States, to the Speaker of the House of Representatives and to the President of the Senate of the United States Congress, and to all Members of the Texas delegation to the Congress, with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.''

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works:

Greta Joy Dicus, of Arkansas, to be a Member of the Nuclear Regulatory Commission for the term of five years expiring June 30, 1998.

(The above nomination was reported with the recommendation that she be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BAUCUS:

S. 1259. A bill to authorize the Secretary of Agriculture to use stewardship contracting in a demonstration program to restore and maintain the ecological integrity and productivity of forest ecosystems to insure that the land and resources are passed to future generations in better condition than they were found; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MACK (for himself, Mr. D'AMATO, and Mr. BOND):

S. 1260. A bill to reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN:

S. 1261. A bill to amend the Internal Revenue Code of 1986 to prevent the avoidance of tax through the use of foreign trusts; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO:

S. Res. 173. A resolution to proclaim the week of September 24 through September 30, 1995, as National Dog Week; to the Committee on the Judiciary.

By Mr. GRAMS (for himself, Mr. DOLE, Mr. HELMS, and Mr. THOMAS):

S. Res. 174. A resolution expressing the sense of the Senate that the Secretary of State should aggressively pursue the release of political and religious prisoners in Vietnam; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS:

S. 1259. A bill to authorize the Secretary of Agriculture to use stewardship contracting in a demonstration program to restore and maintain the ecological integrity and productivity of forest ecosystems to insure that the land and resources are passed to future generations in better condition than they were found; to the Committee on Agriculture, Nutrition, and Forestry.

THE FOREST ECOSYSTEM STEWARDSHIP DEMONSTRATION ACT OF 1995

● Mr. BAUCUS. Mr. President, I introduce the Forest Ecosystem Stewardship Demonstration Act of 1995. On May 18, 1995, my colleague from Montana, Congressman PAT WILLIAMS introduced this bill which would allow the experimental use by the U.S. Forest Service of a variety of stewardship contracts on private land.

About a month ago I held a meeting in Kalispell about the Forest Stewardship Demonstration Act of 1995. The meeting was attended by loggers, environmentalists, and timber landowners. I received input from many individuals, businesses and organizations, including the Montana Wilderness Association, the Montana Logging Association, Flathead Audubon Society, the Montana Wilderness Association and the Flathead Economic Policy Center. I was pleased to see people from all walks of life joining together to find common ground on what is usually a divisive issue and reach a consensus on a sound land-management program for a section of private property near Columbia Falls. The stewardship plan, created by the Flathead Forestry Project, emphasizes forest management strategies that will allow contracts to be written with enough flexibility and diversity to accommodate each system's needs.

This bill does not add red tape; does not reduce competition; and does not eliminate any existing public participation processes or environmental laws. Instead, this bill allows public forest owners and resource managers to directly selected qualified forest contractors. This new contract format allows landowners to custom design their own specific plans. Contractors will work directly for the public. In turn, this will increase the pool of contractors who can bid on public forest projects.

We all know that it is in the best interest of our forests to manage our public lands in a manner that maintains their overall health. At the same time, it is important to recognize that these are public lands and citizens should be fully involved in participating in the decisions that affect our national forests.

The Forest Ecosystem Stewardship Demonstration Act of 1995 proposes a unique plan to protect the health of our forests while also protecting the economic well-being of those who utilize the natural resources that our forests have to offer us.

This bill will give the Flathead Forestry Project the opportunity to test this proposal on a section of private property in Montana. If successful, this plan can be used as a model for similar land management programs on public lands.

I want to recognize the hard work of some of the men and women in Montana who are personally responsible for this unique legislation; Floyd Quiram, Jack Jay, Rem Koht, Bob Stone, Carol Daly, Lex Blood, Keith Olson and Steve Thompson. I am proud to introduce this legislation on their behalf, and I urge my colleagues to give it their support.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

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

S. 1259

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 ''Forest Ecosystem Stewardship Demonstration Act of 1995''.

SEC. 2. FINDINGS, PURPOSES, AND DEFINITIONS.

(a) FINDINGS.—Congress makes the following finding:

(1) In many of the units of the National Forest System, current conditions—such as unnatural fuel loads, high tree density, threat of catastrophic fires, disease, and insect infestations, habitat loss, and loss of historic species, stand diversity and integrity—adversely affect the biodiversity, health, and sustainability of the forest ecosystems of such units.

(2) A new and innovative contracting process for the National Forest System is required to meet Federal goals of improving forest resource conditions through implementation of ecosystem management.

(3) Ecosystem management is not just a biological concept. It is the convergence of a set of activities that is simultaneously ecologically sound, economically viable, and socially responsible.

(4) The improvement of the health and natural functioning of the forest resource is vital to the long-term viability of species found on National Forest System lands.

(5) Ecosystem restoration and conservation work performed with revenues from forest activities would improve employment opportunities in communities near units of the National Forest System to the benefit of long-term economic sustainability and community viability.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To improve and restore the health of forest resources through implementation of ecosystem management.

(2) To provide for employment opportunities and economic health and viability for rural communities near units of the National Forest System.

(3) To provide for flexibility in procurement and funding practices to enter into stewardship contracts to achieve management objectives and requirements prescribed in the following provisions of law:

(A) The Act of June 4, 1897 (commonly known as the Organic Administration Act; 16 U.S.C. 473–475, 477–482, 551).

(B) The Multiple-Use Sustained Yield Act of 1960 (16 U.S.C. 528–531).

(C) The Forest and Rangeland Renewable Resources Act of 1974 (16 U.S.C. 1600–1614).

(D) Section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a).

(E) The Act of May 23, 1908, and section 13 of the Act of March 1, 1911 (16 U.S.C. 500).

(F) The Federal Grants and Agreements Act of 1977 (31 U.S.C. 6303–6308).

(G) National Forest Fund Act of March 4, 1907 (16 U.S.C. 499).

(c) DEFINITIONS.—For purposes of this Act:

(1) ACCOUNT.—The term ''Account'' means the Stewardship Account established under section 4.

(2) DESIGN SPECIFICATION CONTRACT.—The term ''design specification contract'' is used to describe contracts in which the contracting entity specifically identifies all the tasks

to be performed, and the contractor performs per the designed specifications.

(3) FOREST STEWARDSHIP COUNCIL.—The term ''Forest Stewardship Council'' means any one of the local councils established under section 3(f) of this Act to, in cooperation with resource managers: prioritize and select stewardship projects, set operational goals in the context of current national forest management policies and local forest plans, evaluate contractor performance and accomplishments, recommend progress payments for work successfully completed by contractors, and make recommendations for the improvement of the stewardship contract process.

(4) PERFORMANCE SPECIFICATION CONTRACT.—The term ''performance specification contract'' is used to describe contracts in which the contracting entity identifies the parameters of the project, and the contractor identifies the method to accomplish the work.

(5) RESOURCE ACTIVITIES.—The term ''resource activities'' includes area access, site preparation, replanting, fish and wildlife habitat restoration or enhancement, silvicultural treatments, watershed improvement, fuel treatments (including prescribed burning), and road closure or obliteration.

(6) RESOURCE MANAGER.—The term ''resource manager'' refers to the line officer responsible for management decisions associated with project implementation on a national forest.

(7) ROADSIDE SALE.—The term ''roadside sale'' refers to the sale by the Forest Service to the highest bidder(s) of all contract-designated products of the forest removed as part of the management activities conducted under a stewardship contract. (Non-designated products may be assigned to the contractor for salvage.) A roadside sale is a completely separate transaction from the awarding of the stewardship contract itself.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(9) STATEMENT OF WORK CONTRACT.—The term ''statement of work contract'' is used to describe contracts in which the contracting entity gives a general overview of the project, and the bidding contractor provides the specifics on how he/she envisions the project and the end result he/she would obtain using his/her particular approach to land stewardship.

(10) STEWARDSHIP CONTRACT.—The term ''stewardship contract'' means a contract for carrying out resource activities for the improvement and restoration of forest ecosystems of units of the National Forest System and to encourage or enhance the economic sustainability and the viability of rural and regional communities. A stewardship contract could use a design specification format (definition 2, above), a performance specification format (definition 4, above), a statement of work format (definition 9, above), or some combination thereof.

SEC. 3. USE OF STEWARDSHIP CONTRACTS.

(a) USE AUTHORIZED.—The Secretary shall establish and implement in the Forest Service a demonstration program through which forest- and/or district-level resource managers use stewardship contracts to carry out resource activities in a comprehensive manner to restore and preserve the ecological integrity and productivity of forest ecosystems within the National Forest System and to encourage or enhance the economic sustainability and the viability of nearby rural communities. The resource activities undertaken should be consistent with the precepts of ecosystem management and with the forest's management plan for achieving the desired future conditions of the area being treated.

(b) USE LIMITED.—Within the limits of available financial resources, each forest within the National Forest System may use stewardship contracts to carry out ecosystem management projects, if those contracts:

(1) Provide for payment to the contractor based on the number of acres satisfactorily treated in accordance with an approved plan to create a desired future condition on the land.

(2) Are used for projects where the harvest of timber is secondary to creating specific resource conditions (e.g., wildlife habitat enhancement, watershed improvement, insect and disease control).

(3) Are not used for projects involving the construction of new permanent roads or entries into roadless areas.

(4) Will result in the removal of no more than 300,000 board feet of merchantable timber per project.

(5) Provide for the roadside sale of all contract-designated merchantable timber which is extracted.

(6) Are awarded competitively to qualified contractors with no more than 25 employees.

(7) Include stewardship skill and experience qualification requirements which have been established by the local Forest Stewardship Council and approved by the Forest Service.

(8) Are monitored not only by the Forest Service, but also by the local Forest Stewardship Council.

(9) Provide for periodic progress payments to contractors based on successful completion of contract activities on a per acre basis. The acceptability of the contractor's work shall be determined by the Forest Service, taking into account the recommendation of the local Forest Stewardship Council.

(c) DEMONSTRATION RESEARCH OBJECTIVES.—The Secretary shall insure that in the carrying out of the provisions of this Act enough flexibility is provided to resource managers to enable them to test various approaches to solving questions left unresolved in previous demonstrations of stewardship and end results contracts authorized in fiscal year 1991 and 1992 through the Department of the Interior and Related Appropriation Acts. These questions include, but are not limited to:

(1) The need for the bonding of stewardship contractors and/or possible alternatives which could reduce the financial burden on small businesses.

(2) Preferred methods of marketing timber or other products of the forest removed as a result of stewardship contract activities.

(3) The standards to be used in evaluating the quality and acceptability of the work performed by a stewardship contractor.

(4) The desirability of multi-year contracts for stewardship projects.

(5) The relative merits of using design specifications, performance specifications, or statements of work in offering, awarding, and evaluating stewardship contracts.

(6) The costs, benefits, problems, and opportunities resulting from increased community involvement in the design and monitoring of stewardship contracts.

(7) The benefits and problems resulting from restricting stewardship contracts to very small (no more than 25 employees) contractors.

(8) The extent to which local economic sustainability and rural community viability are affected by the use of stewardship contracts.

(9) The difference between estimated and actual revenues derived from roadside sales of timber.

(10) The level of utilization of timber and other products of the forest derived from stewardship contract projects as compared with conventional timber sales.

(11) The extent to which stewardship contracting contributes to the achievement of forest ecosystem management plans.

(12) The extent to which the revenues from stewardship contracts cover the cost of such contracts or are offset by the costs which could reasonably be expected to result if the contracts are not carried out (e.g., fire suppression costs in areas with heavy fuel loads).

(13) The administrative costs or savings involved in the use of stewardship contracts.

(14) The benefits and/or disadvantages of using local Forest Stewardship Councils as part of the stewardship contracting process.

(15) The benefits and/or disadvantages of various methods of selecting members, organizing, administering, and conducting the business of local Forest Stewardship Councils.

(d) DEVELOPMENT AND USE OF CONTRACTS.—Each resource manager of a unit of the National Forest System may enter into stewardship contracts with qualified non-Federal entities (as established in regulations relating to procurement by the Federal Government or as determined by the Secretary.) The local Forest Stewardship Council, in cooperation with the Forest Service resource manager, shall select the type of stewardship contract that is most suitable to local conditions. Contracts should clearly describe the desired future condition for each resource managed under the contract and the evaluation criteria to be used to determine acceptable performance. The length of a stewardship contract shall be consistent with the requirements of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a).

(e) SELECTION OF AREAS FOR CONTRACTS.—In selecting areas within units of the National Forest System to be subject to stewardship contracts, the Secretary, resource managers, and local Forest Stewardship Councils shall base the selection on the need to improve forest health, maintain and improve soil and water quality, and improve fisheries and wildlife habitat. Priorities for activities within individual units will be established by local resource managers, in consultation with the appropriate local Forest Stewardship Council.

(f) ESTABLISHMENT OF LOCAL FOREST STEWARDSHIP COUNCILS.—Local Forest Stewardship Councils shall be established for each unit of the National Forest System which offers stewardship contracts. The role of a Forest Stewardship Council will be to, in cooperation with the resource managers, prioritize and select stewardship projects, set operational goals in the context of current national forest management policies and local forest plans, evaluate contractor performance and accomplishments, recommend progress payments for work successfully completed by contractors, and make recommendations for the improvement of the stewardship contract process. Each participating National Forest System unit shall establish, after soliciting the comments of local citizens, the size of the local council, the method of selection or election of council members, the terms of service of members, and the council administrative budget, if any. At least 51 percent of members of any Forest Stewardship Council shall be drawn from the private sector, in a manner which insures representation of a broad range of public interests. The functioning of the Forest Stewardship Councils must assure a continuing and open process and must in no way interfere with the broad public involvement in Federal resource management decision making required under the National Environmental Policy Act of 1976.

(g) APPLICATION OF CONTRACTS.—Subject to subsection (h), the revenue received from the sale of timber or any other products of the

forest resulting to the Federal Government as a result of work carried out under a stewardship contract shall be deposited into a Stewardship Account as established in section 4(a).

(h) EFFECT ON OTHER REVENUE REQUIREMENTS.—Twenty-five percent of the revenues received from roadside sale of products extracted through stewardship contract activities shall remain available for payments to States, as required under the Act of May 23, 1908, and section 13 of the Act of March 1, 1991 (16 U.S.C. 500). The Secretary shall first collect revenues to make such payments before exercising the authority provided in subsection g.

SEC. 4. STEWARDSHIP CONTRACT RECEIPTS AND EXPENDITURES.

(a) RECEIPTS.—Monetary receipts received as payment for contract-designated timber and other products of the forest extracted through stewardship contract activities shall be deposited in a designated fund to be known as the ''Stewardship Account''. Amounts in the Account shall be used to make payments to States under the Act of May 23, 1908, and section 13 of the Act of March 1, 1911 (16 U.S.C. 500), and to fund resource activities. Amounts in the Account are hereby appropriated and shall be available to the Secretary until expended, except that those amounts found by the Secretary to be in excess of the needs of the Secretary shall be transferred to miscellaneous receipts in the Treasury of the United States. Any additional revenues made available through direct appropriations to the Forest Service for stewardship contracting and ecosystem management purposes also shall be deposited in the Account.

(b) EXPENDITURES.—Not less than 80 percent of amounts in the Account available for resource activities shall be used for the direct costs of such resource activities. The revenues received from sales of contract-designated products resulting from stewardship contracts shall be returned to the national forest from which they were generated, to be used to fund additional stewardship contracts. To the extent that additional revenues are received in the Account from direct appropriations by the Congress of funds for stewardship contract activities, such funds shall be made available to those forest units using stewardship contracts through a process to be developed by the Secretary.

(c) REPORTING.—As part of the annual report of the Secretary to Congress, the Secretary shall include an accounting of revenues, expenditures, and accomplishments related to the stewardship contracts.

SEC. 5. RELATION TO OTHER LAWS.

All stewardship contracts shall comply with existing applicable laws, and nothing in this Act may be construed as modifying the provisions of any other law except as explicitly provided in this Act.

SEC. 6. EFFECTIVE DATE.

This Act shall be effective upon passage.

SEC. 7. TERMINATION DATE.

Unless extended by a subsequent act of the Congress, this Act shall terminate five years from its effective date.●

By Mr. MACK (for himself, Mr. D'AMATO, and Mr. BOND):

S. 1260. A bill to reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE PUBLIC HOUSING REFORM AND EMPOWERMENT ACT OF 1995

Mr. MACK. Mr. President, I am pleased to introduce, on behalf of Senators D'AMATO and BOND, the Public Housing Reform and Empowerment Act of 1995. This bill represents the first serious effort in decades to reform and consolidate the Nation's public and tenant-based assisted housing programs, and to redirect the primary responsibility for these programs away from the Federal bureaucracy and toward States and localities.

Public housing is home to 1.4 million American families, and much of it is good. Unfortunately, to many Americans the pictures in the national media of high rise public housing projects being imploded symbolize the failure of our housing policy. Clearly, some public housing, particularly in major cities, has fallen into a vicious cycle of crime, drug abuse, welfare dependency, and hopelessness. In far too many places, public housing developments, which are supposed to provide a housing platform from which lower-income families can achieve their own aspirations of economic independence and self-sufficiency, are little more than warehouses that rob the poorest of the poor of their dignity and hope.

The underlying principle of the Public Housing Reform and Empowerment Act is resident choice. By encouraging cost-effective and efficient use of resources, the bill gives housing authorities the ability to offer their residents tenant-based assistance where it is economically feasible. It also requires that distressed public housing be vouchered out to protect the right of residents to decent and safe housing.

A key to increasing resident choice is improving the ability of tenant-based assistance programs to meet the demand for affordable housing. This bill makes important changes in the section 8 voucher program. It repeals program requirements, such as ''take one, take all,'' that discourage landlords from participating in the tenant-based program, and it emphasizes lease requirements similar to those in the marketplace.

Micromanagement by both Congress and the Department of Housing and Urban Development [HUD] has saddled housing authorities with rules and regulations that make it almost impossible for even the best of them to run their developments effectively and efficiently. Under today's rules, the residents of public housing face powerful disincentives to work and to achieve economic self-sufficiency. The public housing system must be changed radically before it is entirely discredited.

Our bill addresses the crisis in public housing by consolidating public housing funding into two block grants and transferring greater responsibility for the operation and management of public housing to the housing authorities. It provides greater flexibility to housing authorities to utilize their resources in a more efficient, effective, and creative manner to improve housing quality, while also providing for local accountability in the use of those resources.

The bill ends Federal requirements that have prevented housing authorities from demolishing their obsolete housing stock, concentrated and isolated the poorest of the poor, and created disincentives for public housing residents who want to work and improve their own lives. It would, among other things, permit housing authorities to change counterproductive rent rules that currently discourage employment and prevent the creation of mixed-income public housing communities.

It also repeals Federal preferences and allow housing authorities to operate according to locally established preferences that are consistent with a community's housing needs.

While allowing well-run housing authorities much more discretion, our bill would also crack down on those housing authorities that are troubled. Although small in number, these authorities with severe management problems control almost 15 percent of the Nation's public housing stock. HUD would be required to take over or appoint a receiver for PHA's that are unable to make significant improvements in their operations. This legislation would also give HUD expanded powers to break up or reconfigure troubled authorities, dispose of their assets, or abrogate contracts that impede correction of the housing authority's problems.

Mr. President, this legislation will help protect the Federal Government's sizeable investment in public housing. It will also empower residents by increasing their involvement in developing housing agency management plans, expanding tenant management opportunities, and making public housing a springboard to dignity and hope.

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

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

S. 1260

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Public Housing Reform and Empowerment Act of 1995''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) there exists throughout the Nation a need for decent, safe, and affordable housing;

(2) as of the date of enactment of this Act, the inventory of public housing units owned and operated by public housing agencies, an asset in which the Federal Government has invested approximately $90,000,000,000, has traditionally provided rental housing that is affordable to low-income persons;

(3) despite serving this critical function, the public housing system is plagued by a series of problems, including the concentration of very poor people in very poor neighborhoods and disincentives for economic self-sufficiency;

(4) the Federal method of overseeing every aspect of public housing by detailed and complex statutes and regulations aggravates the problem and places excessive administrative burdens on public housing agencies;

(5) the interests of low-income persons, and the public interest, will best be served by a reformed public housing program that—

(A) consolidates many public housing programs into a single program for the operation and capital needs of public housing;

(B) streamlines program requirements; and

(C) vests in public housing agencies that perform well the maximum feasible authority, discretion, and control with appropriate accountability to both public housing residents and localities; and

(6) voucher and certificate programs under section 8 of the United States Housing Act of 1937 are successful for approximately 80 percent of applicants, and a consolidation of the voucher and certificate programs into a single, market-driven program will assist in making section 8 tenant-based assistance more successful in assisting low-income families in obtaining affordable housing.

(b) PURPOSE.—The purpose of this Act is to consolidate the various programs and activities under the public housing programs administered by the Secretary in a manner designed to reduce Federal overregulation, to redirect the responsibility for a consolidated program to States, localities, public housing agencies, and public housing residents, and to require Federal action to overcome problems of public housing agencies with severe management deficiencies.

SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) PUBLIC HOUSING AGENCY.—The term ''public housing agency'' has the same meaning as in section 3 of the United States Housing Act of 1937.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 4. EFFECTIVE DATE.

Except as otherwise specifically provided in this Act or the amendments made by this Act, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act.

SEC. 5. TECHNICAL RECOMMENDATIONS; ELIMINATION OF OBSOLETE DOCUMENTS.

(a) TECHNICAL RECOMMENDATIONS.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, recommended technical and conforming amendments to carry out the amendments made by this Act.

(b) ELIMINATION OF OBSOLETE DOCUMENTS.—

(1) IN GENERAL.—Effective 1 year after the date of enactment of this Act, no rule, regulation, or order (including all handbooks, notices, and related requirements) issued or promulgated under the United States Housing Act of 1937 before the date of enactment of this Act may be enforced by the Secretary.

(2) PROPOSED REGULATIONS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall submit to the Congress proposed regulations that the Secretary determines are necessary to carry out the United States Housing Act of 1937, as amended by this Act.

TITLE I—PUBLIC AND INDIAN HOUSING

SEC. 101. DECLARATION OF POLICY.

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended to read as follows:

''SEC. 2. DECLARATION OF POLICY.

''It is the policy of the United States to promote the general welfare of the Nation by employing the funds and credit of the Nation, as provided in this Act—

''(1) to assist States and political subdivisions of States to remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families; and

''(2) consistent with the objectives of this title, to vest in public housing agencies that perform well, the maximum amount of responsibility and flexibility in program administration, with appropriate accountability to both public housing residents and localities.''.

SEC. 102. NONDISCRIMINATION.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

''SEC. 27. NONDISCRIMINATION.

''(a) PUBLIC HOUSING RESIDENTS.—No person shall be prohibited from serving on the board of directors or similar governing body of a public housing agency because of the residence of that person in a low-income housing project.

''(b) NONDISCRIMINATION BASED ON RACE, COLOR, NATIONAL ORIGIN, RELIGION, OR SEX.—

''(1) IN GENERAL.—No person in the United States shall, based on the race, color, national origin, religion, or sex of that person be excluded from participation in, denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

''(2) APPLICABILITY OF OTHER LAWS.—Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified handicapped individual, as provided in section 504 of the Rehabilitation Act of 1973 shall apply to any such program or activity.''.

SEC. 103. AUTHORITY OF PUBLIC HOUSING AGENCIES.

(a) AUTHORITY OF PUBLIC HOUSING AGENCIES.—

(1) IN GENERAL.—Section 3(a)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

''(2) AUTHORITY OF PUBLIC HOUSING AGENCIES.—

''(A) CEILING RENTS.—Notwithstanding paragraph (1), a public housing agency may—

''(i) adopt ceiling rents that reflect the reasonable market value of the housing, but that are not less than the actual monthly costs—

''(I) to operate such housing; and

''(II) to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

''(ii) allow families to pay ceiling rents referred to in clause (i), unless, with respect to any family, the ceiling rent established under this subparagraph would exceed the amount payable as rent by that family under paragraph (1).

''(B) MINIMUM RENT.—Notwithstanding paragraph (1), a public housing agency may provide that each family residing in a public housing project or receiving tenant-based or project-based assistance under section 8 shall pay a minimum monthly rent in an amount not to exceed $30 per month.

''(C) MIXED-INCOME PROJECTS.—

''(i) IN GENERAL.—Notwithstanding paragraph (1), and subject to clause (ii), a public housing agency may own or operate one or more mixed-income projects, except as otherwise provided in the public housing agency plan of that public housing agency submitted in accordance with section 5A.

''(ii) RESTRICTION.—No assistance provided under section 9 shall be used by a public housing agency in direct support of any unit rented to a household that is not a low-income household.

''(D) POLICE OFFICERS.—

''(i) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may, in accordance with the public housing agency plan of the public housing agency, allow a police officer who is not otherwise eligible for residence in public housing to reside in a public housing unit. The number and location of units occupied by police officers under this clause, and the terms and conditions of their tenancies, shall be determined by the public housing agency.

''(ii) DEFINITION.—As used in this subparagraph, the term 'police officer' means any person determined by a public housing agency to be, during the period of residence of such person in public housing, employed on a full-time basis by a Federal, State, or local government or any agency thereof (including a public housing agency having an accredited police force) as a duly licensed professional police officer.

''(E) ENCOURAGEMENT OF SELF-SUFFICIENCY.—Public housing agencies shall develop rental policies that encourage and reward employment and upward economic mobility.''.

(2) REGULATIONS.—

(A) IN GENERAL.—The Secretary shall, by regulation, after notice and an opportunity for public comment, establish such requirements as may be necessary to carry out section 3(a)(2)(A) of the United States Housing Act of 1937, as amended by paragraph (1).

(B) TRANSITION RULE.—Prior to the issuance of final regulations under paragraph (1), a public housing agency may implement ceiling rents, which shall be—

(i) determined in accordance with section 3(a)(2)(A) of the United States Housing Act of 1937, as such section existed on the day before effective date of this Act; or

(ii) equal to the 95th percentile of the rent paid for a unit of comparable size by tenants in the same project or a group of comparable projects totaling 50 units or more.

(b) HIGH PERFORMING PUBLIC HOUSING AGENCIES.—

(1) IN GENERAL.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437(a)) is amended by adding at the end the following new paragraph:

''(3) HIGH PERFORMING PUBLIC HOUSING AGENCIES.—

''(A) IN GENERAL.—Notwithstanding the rent calculation formula in paragraph (1), subject to subparagraph (B), the Secretary shall permit a high performing public housing agency, as determined by the Secretary, to determine the amount that a family residing in public housing shall pay as rent.

''(B) LIMITATION.—With respect to a family whose income is equal to or less than 30 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, a public housing agency may not require a family to pay as rent under subparagraph (A) an amount that exceeds the greater of—

''(i) 30 percent of the monthly adjusted income of the family; and

''(ii) $30.''.

(2) PHASE-IN PERIOD.—If a public housing agency charges rent pursuant to section 3(a)(3) of the United States Housing Act of 1937, as added by paragraph (1) of this subsection, the agency shall phase in any increase in the amount otherwise payable by the family over a 3-year period.

(3) REPORTS TO CONGRESS.—

(A) INITIAL REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall report to the Congress on the impact of section 3(a)(3) of the United States Housing Act of 1937, as added by paragraph (1) of this subsection, on residents and on the economic viability of public housing agencies.

(B) FINAL REPORT.—Not later than 5 years after the date of enactment of this Act, the Secretary shall submit to the Congress a final report on the impact of section 3(a)(3) of the United States Housing Act of 1937, as added by paragraph (1) of this subsection, on residents and on the economic viability of public housing agencies. The report shall include recommendations for any legislative changes to rent reform policies.

SEC. 104. DEFINITIONS.

(a) DEFINITIONS.—

(1) SINGLE PERSONS.—Section 3(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)) is amended—

(A) in subparagraph (A), in the third sentence, by striking ''the Secretary shall'' and all that follows before the period at the end and inserting the following: ''the public housing agency may give preference to single persons who are elderly or disabled persons before single persons who are otherwise eligible''; and

(B) in subparagraph (B), in the second sentence, by striking ''regulations of the Secretary'' and inserting ''public housing agency plan of the public housing agency''.

(2) DEFINITION OF ADJUSTED INCOME.—Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended to read as follows:

''(5) ADJUSTED INCOME.—The term 'adjusted income' means the income that remains after excluding—

''(A) $480 for each member of the family residing in the household (other than the head of the household or spouse)—

''(i) who is under 18 years of age; or

''(ii) who is—

''(I) 18 years of age or older; and

''(II) a person with disabilities or a full-time student;

''(B) $400 for an elderly or disabled family;

''(C) the amount by which the aggregate of—

''(i) medical expenses for an elderly or disabled family; and

''(ii) reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed;

exceeds 3 percent of the annual income of the family;

''(D) child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education;

''(E) excessive travel expenses, not to exceed $25 per family per week, for employment- or education-related travel, except that this subparagraph shall apply only to a family assisted by an Indian housing authority; and

''(F) any other income that the public housing agency determines to be appropriate, as provided in the public housing agency plan of the public housing agency.''.

(b) DEFINITIONS OF TERMS USED IN REFERENCE TO PUBLIC HOUSING.—

(1) TECHNICAL CORRECTION.—Section 622(c) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3817) is amended by inserting ''in paragraph (3),'' after ''is amended''.

(2) HOUSING ACT OF 1937.—Section 3(c) of the United States Housing Act of 1937 (42 U.S.C. 1437a(c)) is amended—

(A) in paragraph (1), by inserting ''and of the fees and related costs normally involved in obtaining non-Federal financing and tax credits with or without private and nonprofit partners'' after ''carrying charges'';

(B) in paragraph (2), in the first sentence, by striking ''security personnel),'' and all that follows through the period and inserting the following: ''security personnel), and all eligible activities under the Public and Assisted Housing Drug Elimination Act of 1990, or financing in connection with a low-income housing project, including projects developed with non-Federal financing and tax credits, with or without private and nonprofit partners.'';

(C) in the undesignated paragraph immediately following paragraph (3), by striking ''The earnings of'' and all that follows through the period at the end; and

(D) by adding at the end the following new paragraphs:

''(6) PUBLIC HOUSING AGENCY PLAN.—The term 'public housing agency plan' means the annual plan adopted by a public housing agency under section 5A.

''(7) DISABLED HOUSING.—The term 'disabled housing' means any project, building, or portion of a project or building that is designated by a public housing agency for occupancy exclusively by disabled persons or families.

''(8) ELDERLY HOUSING.—The term 'elderly housing' means any project, building, or portion of a project or building, that is designated by a public housing agency for occupancy exclusively by elderly persons or families, including elderly disabled persons or families.

''(9) MIXED-INCOME PROJECT.—

''(A) IN GENERAL.—The term 'mixed-income project' means a project that is occupied both by one or more low-income households and by one or more households that are not low-income households.

''(B) TYPES OF PROJECTS.—The term 'mixed-income project' includes a project developed—

''(i) by a public housing agency or an entity controlled by a public housing agency; and

''(ii) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity controlled by a public housing agency) is a general partner, managing member, or otherwise has significant participation in directing the activities of such entity, if—

''(I) units are made available in the project, by master contract or individual lease, for occupancy by low-income families identified by the public housing agency for a period of not less than 20 years; and

''(II) the number of public housing units are approximately in the same proportion to the total number of units in the mixed-income project that, in the sole determination of the public housing agency, the value of the financial assistance provided by the public housing agency bears to the value of the total equity investment in the project, or shall not be less than the number of units that could have been developed under the conventional public housing program with the assistance.

''(C) TAXATION.—A mixed-income project may elect to have all units subject to the local real estate taxes, except that units designated as public housing units shall be eligible at the discretion of the public housing agency for the taxing requirements under section 6(d).''.

SEC. 105. CONTRIBUTIONS FOR LOWER INCOME HOUSING PROJECTS.

Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) is amended by striking subsections (h) through (*l*).

SEC. 106. PUBLIC HOUSING AGENCY PLAN.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by inserting after section 5 the following new section:

''SEC. 5A. PUBLIC HOUSING AGENCY PLAN.

''(a) IN GENERAL.—

''(1) SUBMISSION.—Each public housing agency shall submit to the Secretary a written public housing agency plan developed in accordance with this section.

''(2) CONSISTENCY REQUIREMENT.—Each public housing agency plan submitted to the Secretary under paragraph (1) shall be—

''(A) made in consultation with the local advisory board established under subsection (c);

''(B) consistent with the Comprehensive Housing Affordability Strategy for the jurisdiction in which the public housing agency is located, as provided under title I of the Cranston-Gonzalez National Affordable Housing Act; and

''(C) accompanied by a certification by an appropriate State or local public official that the proposed public housing activities are consistent with the housing strategy of the jurisdiction to be served by the public housing agency, as required by subparagraph (B).

''(b) CONTENTS.—Each public housing agency plan shall contain, at a minimum, the following:

''(1) CERTIFICATION.—A written certification that the public housing agency is a governmental entity or public body (or agency or instrumentality thereof) that is authorized to engage in or assist in the development or operation of low-income housing. Any reference in any provision of law of the jurisdiction authorizing the creation of the public housing agency shall be identified and any legislative declaration of purpose in regard thereto shall be set forth in the certification with full text.

''(2) STATEMENT OF POLICY.—An annual statement of policy identifying the primary goals and objectives of the public housing agency for the year for which the statement is submitted, together with any major developments, projects, or programs, including all proposed costs and activities under the Capital and Operating Funds of the public housing agency established under section 9.

''(3) GENERAL POLICIES, RULES, AND REGULATIONS.—The policies, rules, and regulations of the public housing agency regarding—

''(A) the requirements for eligibility into each program administered by the public housing agency and the policies of the public housing agency concerning verification of eligibility, which verification shall be required upon initial commencement of residency and not less frequently than annually thereafter;

''(B) the requirements for the selection and admission of eligible families into the program or programs of the public housing agency, including the tenant screening policies, any preferences or priorities for selection and admission, and the requirements pertaining to the administration of the waiting list or lists of the public housing agency;

''(C) the procedure for assignment of persons admitted into the program to dwelling units owned, leased, managed, or assisted by the public housing agency; and

''(D) the requirements for occupancy of dwelling units, including all standard lease provisions, and conditions for continued occupancy, termination, and eviction.

''(4) MANAGEMENT.—The policies, rules, and regulations relating to the management of the public housing agency, and the projects and programs of the public housing agency, including—

''(A) a description of how the public housing agency is organized and staffed to perform the duties and functions of the public housing agency;

''(B) policies relating to the marketing of dwelling units owned or operated by the public housing agency;

''(C) policies relating to rent collection;

''(D) policies relating to security;

''(E) policies relating to services and amenities provided or offered to families assisted, including all related charges or fees, if any;

''(F) any system of priorities in the management of the operations of the public housing agency; and

''(G) a list of activities to enhance tenant empowerment and management, including assistance to resident councils and resident management corporations.

''(5) RENTS AND CHARGES.—

''(A) IN GENERAL.—The policies of the public housing agency concerning rents or other charges, the manner in which such policies are determined, and the justification for the policies.

''(B) FACTORS FOR CONSIDERATION.—In determining and justifying the policies described in subparagraph (A), the public housing agency shall take into account—

''(i) the goals of the public housing agency to serve households with a broad range of incomes, to create incentives for families to obtain employment, and to serve primarily low-income families;

''(ii) the costs and other financial considerations of the public housing agency; and

''(iii) such other factors as the public housing agency determines to be relevant.

''(6) ECONOMIC AND SOCIAL SELF-SUFFICIENCY PROGRAMS.—A description of any programs, plans, and activities of the public housing agency for the enhancement of the economic and social self-sufficiency of residents assisted by the programs of the public housing agency. The description shall include a statement of any self-sufficiency requirements affecting residents assisted by the programs of the public housing agency.

''(7) USE OF FUNDS FOR EXISTING UNITS.—

''(A) IN GENERAL.—A statement describing the use of distributions from the Capital Fund and Operating Fund of the public housing agency, established in accordance with section 9, including a general description of the public housing agency policies or plans to keep the property of the public housing agency in a decent and safe condition.

''(B) ANNUAL AND 5-YEAR PLAN.—An annual plan and, if appropriate, a 5-year plan of the public housing agency for modernization of the existing dwelling units of the public housing agency, a plan for preventative maintenance, a plan for routine maintenance, and a plan to handle emergencies and other disasters. Each annual and 5-year plan shall include a general statement identifying the long-term viability and physical condition of each of the projects and other property of the public housing agency, including cost estimates and demolition plans, if any.

''(8) USE OF FUNDS FOR NEW OR ADDITIONAL UNITS AND DEMOLITION OR DISPOSITION.—

''(A) IN GENERAL.—

''(i) CAPITAL AND OPERATING FUNDS.—If applicable, a description of the plans of the public housing agency for the Capital Fund and Operating Fund distributions of the public housing agency established under section 9, for the purpose of new construction, demolition, or disposition.

''(ii) ANNUAL AND 5-YEAR PLANS.—An annual plan and a 5-year plan describing any current and future plans for the development or acquisition of new or additional dwelling units, or the demolition or disposition of any of the existing housing stock of the public housing agency, including—

''(I) any plans for the sale of existing dwelling units to low-income residents, other low-income persons or families, or organizations acting as conduits for sales to low-income residents, or other low-income persons or families, under a homeownership plan; and

''(II) the plans of the public housing agency, if any, for replacement of dwelling units to be demolished or disposed of, and any plans providing for the relocation of residents who will be displaced by a demolition or disposition of units.

''(B) DEMOLITIONS.—In the case of a demolition of any existing housing stock, each plan required under subparagraph (A)(ii) shall include—

''(i) identification of the property to be demolished;

''(ii) the estimated costs of the demolition and the sources of funds to pay for the demolition;

''(iii) the uses and explanation of the uses to which the property will be put after demolition; and

''(iv) the reasons for the demolition and for the conclusion of the public housing agency that the demolition is in the best interests of the programs of the public housing agency.

''(C) DISPOSITIONS.—In the case of a disposition of any existing housing stock, each plan required under subparagraph (A)(ii) shall include—

''(i) a description of the property to be disposed of;

''(ii) a description of the use or uses to which the property will be put after disposition, including findings with regard to—

''(I) whether the new use or uses are consistent and compatible with any public housing agency dwelling units that will remain in the immediate vicinity of the property to be disposed of; and

''(II) whether the public housing agency plans to retain any control over or rights in the property after disposition;

''(iii) identification of any consideration, whether in money, property, or both, to be received by the public housing agency as part of the disposition, and the low-income uses that the public housing agency intends for the proceeds, pursuant to the requirements of section 18; and

''(iv) the reasons for disposition of the property by the public housing agency and for the conclusion of the public housing agency that the disposition is in the best interests of the tenants, programs, and activities of the public housing agency.

''(D) OTHER INFORMATION.—The public housing agency shall, with respect to any demolition or disposition plan required by subparagraph (A)(ii), comply with the requirements of section 18, and the public housing agency plan shall expressly certify such compliance.

''(9) OPERATING FUND PLAN.—

''(A) IN GENERAL.—A plan for the Operating Fund of the public housing agency, including—

''(i) an identification of all sources and uses of funding and income of the public housing agency;

''(ii) a description for the establishment, maintenance, and use of reserves; and

''(iii) an operating budget, a budget for any modernization or development, and any plans that the public housing agency has for borrowing funds, including a description of any anticipated actions to mortgage or otherwise grant a security interest in any of the projects or other properties of the public housing agency in connection with public housing agency borrowings.

''(B) APPROVAL BY THE SECRETARY.—Each plan under subparagraph (A) involving mortgaging or granting a security interest in the projects of the public housing agency shall—

''(i) be deemed to be approved by the Secretary, unless the Secretary provides a written disapproval to the public housing agency not later than 45 days after the date on which the plan is submitted under subparagraph (A); and

''(ii) include reasonable provisions for the relocation of low-income tenants in the event of displacement.

''(10) ADDITIONAL PERFORMANCE REQUIREMENTS.—A description of any additional performance standards established by the public housing agency.

''(11) ANNUAL AUDIT.—The results of an annual audit of the public housing agency, which shall be conducted by an independent certified public accounting firm pursuant to generally accepted accounting principles.

''(c) LOCAL ADVISORY BOARD.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—Each public housing agency shall establish one or more local advisory boards in accordance with this subsection, adequate to reflect and represent all of the residents of dwelling units owned, operated, or assisted by the public housing agency.

''(B) INCLUSION IN PUBLIC HOUSING AGENCY PLAN.—The rules governing each local advisory board shall be included in the public housing agency plan of the public housing agency.

''(2) MEMBERSHIP.—Each local board established under this subsection shall be composed of the following membership:

''(A) Not less than 60 percent of the board shall be residents of dwelling units owned, operated, or assisted by the public housing agency.

''(B) The remainder of the board shall be comprised of—

''(i) representatives of the community in which the public housing agency is located; and

''(ii) local government officials of the community in which the public housing agency is located.

''(3) PURPOSE.—Each local advisory board established under this subsection shall assist and make recommendations in the development of the public housing agency plan for submission under this section. The public housing agency shall consider the recommendations of the local advisory board in preparing the final public housing agency plan, and shall include a copy of such recommendations in the public housing agency plan submitted to the Secretary under this section.

''(d) PUBLICATION OF NOTICE.—

''(1) IN GENERAL.—Not later than 45 days before adoption of any public housing agency plan by the governing body of the public housing agency, the public housing agency shall publish a notice informing the public that—

''(A) the proposed public housing agency plan is available for inspection at the principal office of the public housing agency during normal business hours; and

''(B) a public hearing will be held to discuss the public housing agency plan and to invite public comment thereon.

''(2) PUBLIC HEARING.—Each public housing agency shall conduct a public hearing, as provided in the notice published under paragraph (1), not earlier than 30 days nor later than 50 days after the date on which the notice was published. After such public hearing, the public housing agency shall, after considering all public comments received and making any changes it deems appropriate, adopt the public housing agency plan and submit the plan to the Secretary in accordance with this section.

''(e) COORDINATED PROCEDURES.—Each public housing agency shall, in conjunction with the State or relevant unit of general local government, establish procedures to ensure that the public housing agency plan required by this section is consistent with the applicable Comprehensive Housing Affordability Strategy for the jurisdiction in which the public housing agency is located, in accordance with title I of the Cranston-Gonzalez National Affordable Housing Act.

''(f) AMENDMENTS AND MODIFICATIONS TO PLANS.—

''(1) IN GENERAL.—Nothing in this section shall preclude a public housing agency, after submitting a plan to the Secretary in accordance with this section, from amending or modifying any policy, rule, regulation, or plan of the public housing agency, except that no such significant amendment or modification may be implemented—

''(A) other than at a duly called meeting of commissioners (or other comparable governing body) of the public housing agency which is open to the public; and

''(B) until notification of such amendment or modification is sent to the Secretary and approved in accordance with subsection (g)(4).

''(2) CONSISTENCY.—Any significant amendment or modification to a plan submitted to the Secretary under this section shall—

''(A) comply with the requirements of subsection (a)(2); and

''(B) be considered by the local board, as provided in subsection (c).

''(g) TIMING OF PLANS.—

''(1) IN GENERAL.—

''(A) INITIAL SUBMISSION.—Each public housing agency shall submit the initial plan required by this section, and any amendment or revision to the initial plan, to the Secretary at such time and in such form as the Secretary shall require.

''(B) ANNUAL SUBMISSION.—Not later than 60 days prior to the start of the fiscal year of the public housing agency, after initial submission of the plan required by this section in accordance with subparagraph (A), each public housing agency shall annually submit to the Secretary a plan update, including any amendments or reports containing information constituting changes or modifications to the public housing agency plan of the public housing agency.

''(2) REVIEW AND APPROVAL.—

''(A) REVIEW.—After submission of the public housing agency plan or any amendment or report of changes or modifications to the plan to the Secretary, the Secretary shall review the public housing agency plan, amendment, or report to determine—

''(i) in the case of a public housing agency plan, whether the contents of the plan—

''(I) set forth the information required by this section to be contained in a public housing agency plan; and

''(II) are consistent with information and data available to the Secretary; and

''(ii) in all cases, whether the activities proposed by the plan, amendment, or report are prohibited by or inconsistent with any provision of this title or other applicable law.

''(B) APPROVAL.—

''(i) IN GENERAL.—Except as provided in paragraph (3)(B), not later than 45 days after the date on which a public housing agency plan is submitted in accordance with this section, the Secretary shall provide written notice to the public housing agency if the plan has been disapproved, stating with specificity the reasons for the disapproval.

''(ii) FAILURE TO PROVIDE NOTICE OF DISAPPROVAL.—If the Secretary does not provide notice of disapproval under clause (i) before the expiration of the 45-day period described in clause (i), the public housing agency plan of the public housing agency shall be deemed to be approved by the Secretary.

''(3) SECRETARIAL DISCRETION.—

''(A) IN GENERAL.—The Secretary shall have sole discretion to require such additional information and performance requirements as deemed appropriate for each public housing agency that is designated by the Secretary as a troubled public housing agency under section 6(j).

''(B) TROUBLED AGENCIES.—The Secretary shall provide explicit written approval or disapproval, in a timely manner, for a public housing agency plan submitted by any public housing agency designated by the Secretary as a troubled public housing agency under section 6(j).

''(4) STREAMLINED PLAN.—In carrying out this section, the Secretary may establish a streamlined public housing agency plan for—

''(A) public housing agencies that are determined by the Secretary to be high performing public housing agencies; and

''(B) public housing agencies with less than 250 units.''.

(b) INTERIM RULE.—

(1) IN GENERAL.—Not later than January 1, 1996, the Secretary shall issue an interim rule to require the submission of an interim public housing agency plan by each public housing agency, as required by section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(2) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate final regulations implementing section 5A of the United States Housing Act of 1937, as added by subsection (a) of this section. Such regulations shall be subject to negotiated rulemaking.

SEC. 107. CONTRACT PROVISIONS AND REQUIREMENTS.

(a) CONDITIONS.—Section 6(a) of the United States Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

(1) in the first sentence, by inserting '', in a manner consistent with the public housing agency plan submitted under section 5A'' before the period; and

(2) by striking the second sentence.

(b) REVISION OF MAXIMUM INCOME LIMITS; CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS; NOTIFICATION OF ELIGIBILITY.—Section 6(c) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)) is amended to read as follows:

''(c) [Reserved.]''.

(c) EXCESS FUNDS.—Section 6(e) of the United States Housing Act of 1937 (42 U.S.C. 1437d(e)) is amended to read as follows:

''(e) [Reserved.]''.

(d) PERFORMANCE INDICATORS FOR PUBLIC HOUSING AGENCIES.—Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) by striking ''obligated'' and inserting ''provided''; and

(ii) by striking ''unexpended'' and inserting ''unobligated by the public housing agency'';

(B) in subparagraph (D), by striking ''energy'' and inserting ''utility'';

(C) by redesignating subparagraph (H) as subparagraph (J); and

(D) by adding at the end the following new paragraphs:

''(H) The extent to which the agency provides effective programs and activities to promote the economic self-sufficiency of tenants.

''(I) The extent to which the agency successfully meets the goals and carries out the activities and programs of the public housing agency plan under section 5(A).''; and

(2) in paragraph (2)(A)(i), by inserting after the first sentence the following: ''The Secretary may use a simplified set of indicators for public housing agencies with less than 250 units.''.

(e) LEASES.—Section 6(*l*) of the United States Housing Act of 1937 (42 U.S.C. 1437d(*l*)) is amended—

(1) in paragraph (3), by striking ''not be less than'' and all that follows before the semicolon at the end and inserting ''be the period of time required under State law''; and

(2) in paragraph (5), by striking ''on or near such premises''.

(f) PUBLIC HOUSING ASSISTANCE TO FOSTER CARE CHILDREN.—Section 6(o) of the United States Housing Act of 1937 (42 U.S.C. 1437d(o)) is amended by striking ''Subject'' and all that follows through '', in'' and inserting ''In''.

(g) PREFERENCE FOR AREAS WITH INADEQUATE SUPPLY OF VERY LOW-INCOME HOUSING.—Section 6(p) of the United States Housing Act of 1937 (42 U.S.C.1437d(p)) is amended to read as follows:

''(p) [Reserved.]''.

(h) AVAILABILITY OF CRIMINAL RECORDS FOR SCREENING AND EVICTION; EVICTION FOR DRUG-RELATED ACTIVITY.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsections:

''(q) AVAILABILITY OF RECORDS.—

''(1) IN GENERAL.—

''(A) PROVISION OF INFORMATION.—Notwithstanding any other provision of law, except

as provided in subparagraph (B), the National Crime Information Center, a police department, and any other law enforcement agency shall, upon request, provide information to public housing agencies regarding the criminal conviction records of adult applicants for, or residents of, public housing for purposes of applicant screening, lease enforcement, and eviction.

''(B) EXCEPTION.—Except as provided under any provision of State or local law, no law enforcement agency described in subparagraph (A) shall provide information under this paragraph relating to any criminal conviction if the date of that conviction occurred 5 or more years prior to the date on which the request for the information is made.

''(2) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken on the basis of a criminal record, the public housing agency shall provide the resident or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

''(3) FEE.—A public housing agency may be charged a reasonable fee for information provided under paragraph (1).

''(4) RECORDS MANAGEMENT.—Each public housing agency shall establish and implement a system of records management that ensures that any criminal record received by the public housing agency is—

''(A) maintained confidentially;

''(B) not misused or improperly disseminated; and

''(C) destroyed, once the purpose for which the record was requested has been accomplished.

''(5) DEFINITION.—For purposes of this subsection, the term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal or State law.

''(r) EVICTION FOR DRUG-RELATED ACTIVITY.—Any resident evicted from housing assisted under this title by reason of drug-related criminal activity (as such term is defined in section 8(f)(5)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted resident successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).''.

SEC. 108. EXPANSION OF POWERS.

(a) IN GENERAL.—Section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is amended—

(1) in subparagraph (A)—

(A) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

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

''(iii) take possession of the public housing agency, including any project or function of the agency, including any project or function under any other provision of this Act;'';

(2) by redesignating subparagraphs (B) through (D) as subparagraphs (E) through (G), respectively;

(3) by inserting after subparagraph (A) the following new subparagraphs:

''(B)(i) If a public housing agency is identified as troubled under this subsection, the Secretary shall notify the agency of the troubled status of the agency.

''(ii) The Secretary may give a public housing agency a 1-year period, beginning on the date on which the agency receives notification from the Secretary of the troubled status of the agency under clause (i), within which to demonstrate improvement satisfactory to the Secretary. Nothing in this clause shall preclude the Secretary from taking any action the Secretary considers necessary before the commencement or the expiration of the 1-year period described in this clause.

''(iii) Upon the expiration of the 1-year period described in clause (ii), or in the case of a public housing agency identified as troubled before the effective date of this Act, upon the expiration of the 1-year period commencing on that date, if the troubled agency has not demonstrated improvement satisfactory to the Secretary and the Secretary has not yet declared the agency to be in breach of its contract with the Federal Government under this Act, the Secretary shall declare the public housing agency to be in substantial default, as described in subparagraph (A).

''(iv) Upon declaration of a substantial default under clause (iii), the Secretary—

''(I) shall either—

''(aa) petition for the appointment of a receiver pursuant to subparagraph (A)(ii); or

''(bb) take possession of the public housing agency or any development or developments of the public housing agency pursuant to subparagraph (A)(iii); and

''(II) may, in addition, take other appropriate action.

''(C)(i) If a receiver is appointed pursuant to subparagraph (A)(ii), in addition to the powers accorded by the court appointing the receiver, the receiver—

''(I) may abrogate any contract that substantially impedes correction of the substantial default;

''(II) may demolish and dispose of the assets of the public housing agency, in accordance with section 18;

''(III) if determined to be appropriate by the Secretary, may require the establishment, as permitted by applicable State and local law, of one or more new public housing agencies; and

''(IV) shall not be subject to any State or local law relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the receiver, substantially impedes correction of the substantial default.

''(ii) For purposes of this subparagraph, the term 'public housing agency' includes any project or function of a public housing agency, as appropriate, including any project or function under any other provision of this Act.

''(D)(i) If the Secretary takes possession of a public housing agency, or any project or function of the agency, pursuant to subparagraph (A)(iii), the Secretary—

''(I) may abrogate any contract that substantially impedes correction of the substantial default;

''(II) may demolish and dispose of the assets of the public housing agency, in accordance with section 18;

''(III) may require the establishment, as permitted by applicable State and local law, of one or more new public housing agencies;

''(IV) shall not be subject to any State or local law relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the Secretary, substantially impedes correction of the substantial default; and

''(V) shall have such additional authority as a district court of the United States could confer under like circumstances on a receiver to fulfill the purposes of the receivership.

''(ii) The Secretary may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary under this subparagraph for the administration of a public housing agency. The Secretary may delegate to the administrative receiver any or all of the powers given the Secretary by this subparagraph, as the Secretary determines to be appropriate.

''(iii) Regardless of any delegation under this subparagraph, an administrative receiver may not require the establishment of one or more new public housing agencies pursuant to clause (i)(III), unless the Secretary first approves an application by the administrative receiver to authorize such establishment.

''(iv) For purposes of this subparagraph, the term 'public housing agency' includes any project or function of a public housing agency, as appropriate, including any project or function under any other provision of this Act.''; and

(4) by adding at the end the following new subparagraph:

''(H) If the Secretary (or an administrative receiver appointed by the Secretary) takes possession of a public housing agency (including any project or function of the agency) pursuant to subparagraph (A)(iii), or if a receiver is appointed by a court pursuant to subparagraph (A)(ii), the Secretary or receiver shall be deemed to be acting not in that person's or entity's official capacity, but rather in the capacity of the public housing agency, and any liability incurred, regardless of whether the incident giving rise to such liability occurred while the Secretary or receiver was in possession of the public housing agency (including any project or function of the agency), shall be the liability of the public housing agency.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a public housing agency that is found to be in substantial default, on or after the date of enactment of this Act, with respect to the covenants or conditions to which the agency is subject (as such substantial default is defined in the contract for contributions of the agency) or with respect to an agreement entered into under section 6(j)(2)(C) of the United States Housing Act of 1937.

SEC. 109. PUBLIC HOUSING DESIGNATED FOR THE ELDERLY AND THE DISABLED.

Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended to read as follows:

''SEC. 7. AUTHORITY TO PROVIDE DESIGNATED HOUSING.

''(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may, in its discretion and without approval by the Secretary, designate public housing projects or mixed-income projects (or portions of projects) for occupancy as elderly housing, disabled housing, or elderly and disabled housing. The public housing agency shall establish requirements for this section in the public housing agency plan of the public housing agency.

''(b) RELOCATION ASSISTANCE.—A public housing agency that converts any existing project or building, or portion thereof, to elderly housing or disabled housing shall provide to all persons or families who are to be relocated in connection with the conversion—

''(1) notice of the conversion and relocation not less than 6 months before the date of such action;

''(2) comparable housing (including appropriate services and design features) at a rental rate that is comparable to that applicable to the unit from which the person or family has vacated; and

''(3) payment of actual, reasonable moving expenses.

''(c) COMPARABLE HOUSING.—For purposes of this section, tenant-based assistance under section 8(o) shall be deemed to be comparable housing, if the person or family who is relocated may obtain with such assistance

housing that is generally comparable to the housing that was vacated at a cost to the relocated person or family that is not in excess of the amount previously paid for the housing vacated.

''(d) UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT.—The Uniform Relocation and Real Property Acquisition Act shall not apply to activities under this section.''.

SEC. 110. PUBLIC AND INDIAN HOUSING CAPITAL AND OPERATING FUNDS.

Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended to read as follows:

''SEC. 9. PUBLIC AND INDIAN HOUSING CAPITAL AND OPERATING FUNDS.

''(a) IN GENERAL.—Except for assistance provided under section 8, all programs under which assistance is provided for public housing on the day before the effective date of the Public Housing Reform and Empowerment Act of 1995 shall be merged, as appropriate, into either—

''(1) the Capital Fund established under subsection (c); or

''(2) the Operating Fund established under subsection (d).

''(b) USE OF EXISTING FUNDS.—With the exception of funds made available pursuant to section 20(f) and funds appropriated for the urban revitalization demonstration program authorized under the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Acts—

''(1) funds made available to the Secretary for public housing purposes that have not been obligated by the Secretary to a public housing agency before the effective date of the Public Housing Reform and Empowerment Act of 1995 shall be made available, for the period originally provided in law, for use in either the Capital Fund or the Operating Fund established under this section, as appropriate; and

''(2) funds made available to the Secretary for public housing purposes that have been obligated by the Secretary to a public housing agency but that, as of the effective date of the Public Housing Reform and Empowerment Act of 1995, have not been obligated by the public housing agency, may be made available by that public housing agency, for the period originally provided in law, for use in either the Capital Fund or the Operating Fund established under this section, as appropriate.

''(c) CAPITAL FUND.—

''(1) IN GENERAL.—The Secretary shall establish a Capital Fund for the purpose of making grants to public housing agencies principally—

''(A) to make physical improvements to, to replace, or demolish public housing projects, or portions of projects; and

''(B) for associated management improvements.

''(2) GRANTS.—The Secretary shall make grants to public housing agencies to carry out capital and management activities, including—

''(A) the development and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings;

''(B) vacancy reduction;

''(C) addressing deferred maintenance needs and the replacement of dwelling equipment;

''(D) planned code compliance;

''(E) management improvements;

''(F) community services;

''(G) demolition and replacement;

''(H) tenant relocation; and

''(I) activities to improve the economic empowerment and self-sufficiency of public housing tenants.

''(3) LIMIT ON USE OF FUNDS.—Each public housing agency may use not more than 20 percent of the Capital Fund distribution of the public housing agency for activities under the Operating Fund of the public housing agency pursuant to subsection (d), provided that the public housing agency plan provides for such use.

''(d) OPERATING FUND.—

''(1) IN GENERAL.—The Secretary shall establish an Operating Fund for the purpose of making assistance available to public housing agencies for the operation and management of public housing.

''(2) GRANTS.—The Secretary shall make grants to public housing agencies to carry out activities that relate to the operation and management of public housing, including—

''(A) anti-crime and anti-drug activities (including those activities eligible for assistance under the Public and Assisted Housing Drug Elimination Act of 1990 and the Drug-Free Public Housing Act of 1988); and

''(B) activities related to the provision of service coordinators for elderly persons or persons with disabilities pursuant to section 673 of the Housing and Community Development Act of 1992.

''(e) ESTABLISHMENT OF FORMULAE.—

''(1) IN GENERAL.—The Secretary shall establish formulae for providing assistance under the Capital Fund and the Operating Fund under this subsection.

''(2) FORMULAE REQUIREMENTS.—The formulae established under paragraph (1) shall include the following:

''(A) The needs of public housing agencies as identified through their public housing agency plans submitted under section 5A.

''(B) The number of public housing dwelling units owned and operated by a housing management agency and occupied by low-income families (including the costs of conversion to tenant-based assistance under section 22).

''(C) The extent to which public housing agencies provide programs and activities designed to promote the economic self-sufficiency of tenants.

''(D) The age, condition, and density of the low-income housing owned or operated by the agency.

''(E) The number of dwelling units owned and operated by the housing management agency that are chronically vacant and the amount of assistance appropriate for such units.

''(F) The amount of assistance necessary to provide rehabilitation and operating expenses for public housing dwelling units including the amount of assistance to provide a safe environment.

''(3) TRANSITION FORMULA.—The transition formula shall provide that each public housing agency shall receive that percentage of funds which represents the percentage of funds that the public housing agency received, on average, for modernization costs and operating expenses during the 3 fiscal years of that public housing agency preceding implementation of a formula established under paragraph (1).

''(4) PROCEDURES.—The Secretary shall establish formulae under paragraph (1) through negotiated rulemaking, and shall submit the formulae to the Congress for review not later than 2 years after the date of enactment of the Public Housing Reform and Empowerment Act of 1995.

''(5) APPROVAL.—Unless the Congress acts to disapprove a formula submitted under this subsection, the formula shall be presumed to be approved until a revised formula is adopted.

''(6) OPERATING AND CAPITAL ASSISTANCE.—A resident management corporation managing a public housing development pursuant to a contract under this section shall be provided directly by the Secretary with operating and capital assistance under this title for purposes of operating the development and performing such other eligible activities with respect to the development as may be provided under the contract.

''(f) NATIVE AMERICAN HOUSING PROGRAMS.—Notwithstanding any other provision of law, from amounts appropriated for the Capital Fund or the Operating Fund, the Secretary shall establish such formulae and programs as may be necessary to provide such sums as may be necessary to carry out housing programs for Indians.

''(g) TECHNICAL ASSISTANCE.—To the extent approved in appropriations Acts for grants, the Secretary may provide—

''(1) technical assistance to public housing agencies, resident councils, resident organizations, and resident management corporations, including monitoring, inspections, training for public housing agency employees and residents, and data collection and analysis; and

''(2) remedial activities associated with troubled public housing agencies, as such agencies are so designated under section 6(j).

''(h) FUNDING FOR RESIDENT COUNCILS.—Of any amounts made available in any fiscal year to carry out this section, $25,000,000 shall be made available to resident councils, resident organizations, or resident management corporations, on a competitive basis, to carry out resident management activities, and other activities designed to improve the economic self-sufficiency of public housing residents.

''(i) EMERGENCY RESERVE.—

''(1) IN GENERAL.—

''(A) SET-ASIDE.—In each fiscal year, the Secretary shall set aside an amount not to exceed 2 percent of the amount appropriated to carry out this section for that fiscal year for use in accordance with this subsection.

''(B) USE OF FUNDS.—Amounts set aside under this paragraph shall be available to the Secretary for use in connection with emergencies, and to fund the cost of demolitions, modernization, and other activities if the Capital Fund and Operating Fund distributions of any public housing agency are not adequate to carry out activities relating to the goal of the public housing agency of providing decent, safe, and affordable housing in viable communities.

''(2) ALLOCATION.—Amounts set aside under this paragraph shall be allocated pursuant to a competition based upon relative need to such public housing agencies, in such manner, and in such amounts as the Secretary shall determine.''.

SEC. 111. LABOR STANDARDS.

Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437j) is amended by adding at the end the following new subsection:

''(c) WORK REQUIREMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, each adult member of each household assisted under this Act shall contribute not less than 8 hours of volunteer work per month within the community of that adult.

''(2) INCLUSION IN PLAN.—Each public housing agency shall include in the plan submitted to the Secretary under section 5A, a detailed description of how the public housing agency intends to implement and administer the requirements of paragraph (1).

''(3) EXEMPTIONS.—The Secretary may provide an exemption from the requirements of paragraph (1) for any individual who is—

''(A) not less than 62 years of age;

''(B) a person with disabilities who is unable, as determined in accordance with guidelines established by the Secretary, to comply with this section; or

''(C) working full-time, a student, receiving vocational training, or otherwise meeting work requirements of a public assistance program.''.

SEC. 112. REPEAL OF ENERGY CONSERVATION; CONSORTIA AND JOINT VENTURES.

Section 13 of the United States Housing Act of 1937 (42 U.S.C. 1437k) is amended to read as follows:

''SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND SUBSIDIARIES OF PUBLIC HOUSING AGENCIES.

''(a) CONSORTIA.—

''(1) IN GENERAL.—Any 2 or more public housing agencies may participate in a consortium for the purpose of administering any or all of the housing programs of those public housing agencies in accordance with this section.

''(2) EFFECT.—With respect to any consortium described in paragraph (1)—

''(A) any assistance made available under this title to each of the public housing agencies participating in the consortium shall be paid to the consortium; and

''(B) all planning and reporting requirements imposed upon each public housing agency participating in the consortium with respect to the programs operated by the consortium shall be consolidated.

''(3) RESTRICTIONS.—

''(A) AGREEMENT.—Each consortium described in paragraph (1) shall be formed and operated in accordance with a consortium agreement, and shall be subject to the requirements of a joint public housing agency plan, which shall be submitted by the consortium in accordance with section 5A.

''(B) MINIMUM REQUIREMENTS.—The Secretary shall specify minimum requirements relating to the formation and operation of consortia and the minimum contents of consortium agreements under this paragraph.

''(b) JOINT VENTURES.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency, in accordance with its public housing agency plan submitted under section 5A, may—

''(A) form and operate wholly owned or controlled subsidiaries (which may be nonprofit corporations) and other affiliates, any of which may be directed, managed, or controlled by the same persons who constitute the board of commissioners or other similar governing body of the public housing agency, or who serve as employees or staff of the public housing agency; or

''(B) enter into joint ventures, partnerships, or other business arrangements with, or contract with, any person, organization, entity, or governmental unit, with respect to the administration of the programs of the public housing agency, including any program that is subject to this title.

''(2) USE OF INCOME.—Any income generated under paragraph (1) shall be used for low-income housing or to benefit the tenants of the public housing agency.

''(3) AUDITS.—The Secretary may conduct an audit of any activity undertaken under paragraph (1) at any time.''.

SEC. 113. REPEAL OF MODERNIZATION FUND.

Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437*l*) is repealed.

SEC. 114. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended to read as follows:

''SEC. 16. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

''(a) IN GENERAL.—

''(1) INITIAL OCCUPANCY BY CERTAIN HOUSEHOLDS.—Of the dwelling units of a public housing agency, including public housing units in a designated mixed-income project, made available for initial occupancy—

''(A) not less than 40 percent shall be occupied by households whose incomes do not exceed 30 percent of the area median income for such households; and

''(B) any remaining dwelling units may be made available for households whose incomes do not exceed 80 percent of the area median income for such households.

''(2) ESTABLISHMENT OF DIFFERENT STANDARDS.—Notwithstanding paragraph (1), if approved by the Secretary, a public housing agency may for good cause establish and implement an occupancy standard other than the standard described in paragraph (1).

''(b) APPLICABILITY TO INDIAN HOUSING.—Subsection (a) shall not apply to any dwelling unit assisted by an Indian housing agency.''.

SEC. 115. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) IN GENERAL.—Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended to read as follows:

''SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

''(a) APPLICATIONS FOR DEMOLITION AND DISPOSITION.—Not later than 60 days after receiving an application by a public housing agency for authorization, with or without financial assistance under this title, to demolish or dispose of a public housing project or a portion of a public housing project, the Secretary shall approve the application, if the public housing agency certifies—

''(1) in the case of—

''(A) an application proposing demolition of a public housing project or a portion of a public housing project, that—

''(i) the project or portion of the project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and

''(ii) no reasonable program of modifications is cost-effective to return the project or portion of the project to useful life; and

''(B) an application proposing the demolition of only a portion of a project, that the demolition will help to assure the useful life of the remaining portion of the project;

''(2) in the case of an application proposing disposition of public housing project or other real property subject to this title by sale or other transfer, that—

''(A) the retention of the property is not in the best interests of the residents or the public housing agency because—

''(i) conditions in the area surrounding the project adversely affect the health or safety of the residents or the feasible operation of the project by the public housing agency; or

''(ii) disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing;

''(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are—

''(i) in the best interests of the residents and the public housing agency;

''(ii) consistent with the goals of the public housing agency and the public housing agency plan of the public housing agency; and

''(iii) otherwise consistent with this title; or

''(C) for property other than dwelling units, the property is excess to the needs of a public housing project or the disposition is incidental to, or does not interfere with, continued operation of a public housing project;

''(3) that the public housing agency has specifically authorized the demolition or disposition in the public housing agency plan of the public housing agency submitted under section 5A, and has certified that the actions contemplated in the public housing agency plan comply with the requirements of this section;

''(4) that the public housing agency—

''(A) will provide for the payment of the relocation expenses of each resident to be displaced;

''(B) will ensure that the amount of rent paid by the tenant following relocation will not exceed the amount permitted under this Act; and

''(C) will not commence demolition or disposition until all tenants residing in the unit are relocated;

''(5) that the net proceeds of any disposition will be used—

''(A) unless waived by the Secretary, for the retirement of outstanding obligations issued to finance the original public housing project or modernization of the project; and

''(B) to the extent that any proceeds remain after the application of proceeds in accordance with subparagraph (A), for the provision of low-income housing or to benefit the tenants of the public housing agency; and

''(6) that the public housing agency has complied with subsection (b).

''(b) TENANT OPPORTUNITY TO PURCHASE IN CASE OF PROPOSED DISPOSITION.—

''(1) IN GENERAL.—In the case of a proposed disposition of a public housing project or portion of a project, the public housing agency shall, in appropriate circumstances, as determined by the Secretary, initially offer the property to any eligible resident organization, eligible resident management corporation, or nonprofit organization for resale to low-income families, if such entity—

''(A) is operating only at the public housing project that is the subject of the disposition; and

''(B) has expressed an interest, in writing, to the public housing agency in a timely manner, in purchasing the property for continued use as low-income housing.

''(2) TIMING.—

''(A) THIRTY-DAY NOTICE.—A resident organization, resident management corporation, or other entity referred to in paragraph (1) may express interest in purchasing property that is the subject of a disposition, as described in paragraph (1), during the 30-day period beginning on the date of notification of a proposed sale of the property.

''(B) SIXTY-DAY NOTICE.—If an entity expresses written interest in purchasing a property, as provided in subparagraph (A), no disposition of the property shall occur during the 60-day period beginning on the date of receipt of such written notice, during which time that entity shall be given the opportunity to obtain a firm commitment for financing the purchase of the property.

''(c) HOMEOWNERSHIP ACTIVITIES.—This section does not apply to the disposition of a public housing project, or any portion thereof, in accordance with a homeownership program under which the property is sold or conveyed to low-income persons or families or to an organization acting as a conduit for sales or conveyances to such persons or families.

''(d) REPLACEMENT UNITS.—Notwithstanding any other provision of law, replacement housing units for public housing units demolished in accordance with this section may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of such replacement units is fewer than the number of units demolished.''.

(b) HOMEOWNERSHIP REPLACEMENT PLAN.—

(1) IN GENERAL.—Section 304(g) of the United States Housing Act of 1937 (42 U.S.C. 1437aaa–3(g)), as amended by section 1002(b) of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in

the Recovery from the Tragedy that Occurred At Oklahoma City, and Rescissions Act, 1995, is amended to read as follows:

''(g) [Reserved.]''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective for plans for the demolition, disposition, or conversion to homeownerhsip of public housing approved by the Secretary after September 30, 1995.

(c) UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT.—The Uniform Relocation and Real Property Acquisition Act shall not apply to activities under section 18 of the United States Housing Act of 1937, as amended by this section.

SEC. 116. REPEAL OF FAMILY INVESTMENT CENTERS; VOUCHERS FOR PUBLIC HOUSING.

(a) IN GENERAL.—Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t) is amended to read as follows:

''SEC. 22. VOUCHERS FOR PUBLIC HOUSING.

''(a) IN GENERAL.—

''(1) AUTHORIZATION.—A public housing agency may convert any public housing project (or portion thereof) owned and operated by the public housing agency to a system of tenant-based assistance in accordance with this section.

''(2) REQUIREMENTS.—In making a conversion under this section, the public housing agency shall develop a conversion plan and an assessment under subsection (b) in consultation with the appropriate public housing officials and residents, which plan and assessment shall be consistent with and part of the public housing agency plan submitted under section 5A, and shall describe the conversion and future use or disposition of the public housing project, including an impact analysis on the affected community.

''(b) CONVERSION ASSESSMENT.—

''(1) IN GENERAL.—Not later than 2 years after the date of enactment of the Public Housing Reform and Empowerment Act of 1995, each public housing agency shall assess the status of each public housing project owned and operated by that public housing agency and shall submit to the Secretary a report that includes—

''(A) a cost analysis of the public housing project, including costs attributable to the physical condition, modernization needs, operating costs, and market value (both before and after rehabilitation) of the project;

''(B) a market analysis of the public housing project, including an evaluation of the availability of rental dwelling units at or below the fair market rent in the market area in which the public housing project is located; and

''(C) the impact of the conversion on the neighborhood in which the public housing project is located.

''(2) STREAMLINED ASSESSMENT.—The Secretary may waive or otherwise require a streamlined assessment at the request of the public housing agency.

''(c) COST OF CONVERSION.—The cost of any conversion under this section shall be payable from funds made available from the Capital Fund and the Operating Fund established under section 9 attributable to the converted public housing and any additional funds made available by the Secretary or in an appropriations Act.''.

(b) SAVINGS PROVISION.—The amendment made by subsection (a) does not affect any contract or other agreement entered into under section 23 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

SEC. 117. REPEAL OF FAMILY SELF-SUFFICIENCY; HOMEOWNERSHIP OPPORTUNITIES.

(a) IN GENERAL.—Section 23 of the United States Housing Act of 1937 (42 U.S.C.1437u) is amended to read as follows:

''SEC. 23. PUBLIC HOUSING HOMEOWNERSHIP OPPORTUNITIES.

''(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may sell low-income dwelling units, to the low-income residents of the public housing agency, to other low-income persons or families, or to organizations serving as conduits for sales to such persons.

''(b) SALE PRICES, TERMS AND CONDITIONS.—Any sales under subsection (a) may involve such sales prices, terms, and conditions as the public housing agency may determine in accordance with procedures set forth in the public housing agency plan of the public housing agency submitted under section 5A.

''(c) PROTECTION OF NONPURCHASING FAMILIES.—If a tenant decides not to purchase a unit, or is not qualified to do so, the public housing agency shall—

''(1) ensure that rental assistance under section 8 is made available to the tenant; and

''(2) provide for the payment of the reasonable relocation expenses of the tenant.

''(d) NET PROCEEDS.—The net proceeds of any sales under this section remaining after payment of all costs of the sale and any unassumed, unpaid indebtedness owed in connection with the dwelling units sold unless waived by the Secretary, shall be used for purposes relating to low-income housing and in accordance with the public housing agency plan of the public housing agency submitted under section 5A.''.

(b) SAVINGS PROVISION.—The amendment made by subsection (a) does not affect any contract or other agreement entered into under section 23 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

SEC. 118. CONVERSION OF DISTRESSED PUBLIC HOUSING TO VOUCHERS.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

''SEC. 28. CONVERSION OF DISTRESSED PUBLIC HOUSING TO VOUCHERS.

''(a) IDENTIFICATION OF UNITS.—Each public housing agency shall identify any public housing developments—

''(1) that are on the same or contiguous sites;

''(2) that total more than—

''(A) 600 dwelling units; or

''(B) in the case of high-rise family buildings or substantially vacant buildings, 300 dwelling units;

''(3) that have a vacancy rate of at least 10 percent for dwelling units not in funded, on-schedule modernization programs;

''(4) identified as distressed housing that the public housing agency cannot assure the long-term viability as public housing through density reduction, achievement of a broader range of household income, or other measures; and

''(5) for which the estimated cost of continued operation and modernization of the developments as public housing exceeds the cost of providing tenant-based assistance under section 8 for all families in occupancy.

''(b) CONSULTATION.—Each public housing agency shall consult with the applicable public housing tenants and the unit of general local government in identifying any public housing under subsection (a).

''(c) REMOVAL OF UNITS FROM THE INVENTORIES OF PUBLIC HOUSING AGENCIES.—

''(1) IN GENERAL.—Each public housing agency shall develop a plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a), over a period of not more than 5 years, from the inventory of the public housing agency and the annual contributions contract. The plan shall be approved as part of the public housing agency plan under section 5A and by the relevant local official as consistent with the Comprehensive Housing Affordability Strategy under title I of the Housing and Community Development Act of 1992, including a description of any disposition and demolition plan for the public housing units.

''(2) EXTENSIONS.—The Secretary may extend the deadline in paragraph (1) by not more than 5 years if the Secretary makes a determination that the deadline is impracticable.

''(3) DEMOLITION AND DISPOSITION.—To the extent approved in advance in an appropriations Act, the Secretary may establish requirements and provide funding under the Urban Revitalization Demonstration program for demolition and disposition of public housing under this section.

''(d) CONVERSION TO TENANT-BASED ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall make authority available to a public housing agency to provide tenant-based assistance pursuant to section 8 to families residing in any development that is removed from the inventory of the public housing agency and the annual contributions contract pursuant to subsection (b).

''(2) CONVERSION PLANS.—Each conversion plan under subsection (c) shall—

''(A) require the agency to notify families residing in the development, consistent with any guidelines issued by the Secretary governing such notifications, that the development shall be removed from the inventory of the public housing agency and the families shall receive tenant-based or project-based assistance, and to provide any necessary counseling for families; and

''(B) ensure that all tenants affected by a determination under this section that a development shall be removed from the inventory of a public housing agency shall be offered tenant-based or project-based assistance and shall be relocated to other decent, safe, and affordable housing that is, to the maximum extent practicable, housing of their choice.

''(e) ADMINISTRATION.—

''(1) IN GENERAL.—The Secretary may require a public housing agency to provide such information as the Secretary considers necessary for the administration of this section.

''(2) APPLICABILITY OF SECTION 18.—SECTION 18 DOES NOT APPLY TO THE DEMOLITION OF DEVELOPMENTS REMOVED FROM THE INVENTORY OF THE PUBLIC HOUSING AGENCY UNDER THIS SECTION.''.

SEC. 119. APPLICABILITY TO INDIAN HOUSING.

In accordance with section 201(b)(2) of the United States Housing Act of 1937, except as otherwise provided in this Act, this title and the amendments made by this title shall apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority, as such term is defined in section 3(b) of the United States Housing Act of 1937.

TITLE II—SECTION 8 RENTAL ASSISTANCE

SEC. 201. MERGER OF THE CERTIFICATE AND VOUCHER PROGRAMS.

Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended to read as follows:

''(o) VOUCHER PROGRAM.—

''(1) PAYMENT STANDARD.—

''(A) IN GENERAL.—The Secretary may provide assistance to public housing agencies for tenant-based assistance using a payment standard established in accordance with subparagraph (B). The payment standard shall be used to determine the monthly assistance that may be paid for any family, as provided in paragraph (2).

''(B) ESTABLISHMENT OF PAYMENT STANDARD.—The payment standard shall not exceed 120 percent of the fair market rental established under subsection (c) and shall be not less than 80 percent of that fair market rental.

''(C) SET-ASIDE.—The Secretary may set aside not more than 5 percent of the budget authority available under this subsection as an adjustment pool. The Secretary shall use amounts in the adjustment pool to make adjusted payments to public housing agencies under subparagraph (A), to ensure continued affordability, if the Secretary determines that additional assistance for such purpose is necessary, based on documentation submitted by a public housing agency.

''(D) APPROVAL.—The public housing agency shall submit the payment standard of the public housing agency as part of the public housing agency plan submitted under section 5A.

''(E) REVIEW.—The Secretary shall monitor rent burdens and review any payment standard that results in a significant percentage of the families occupying units of any size paying more than 30 percent of adjusted income for rent. The Secretary shall require each public housing agency to modify the payment standard based on the results of such review.

''(2) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—

''(A) FAMILIES RECEIVING TENANT-BASED ASSISTANCE; RENT DOES NOT EXCEED PAYMENT STANDARD.—For a family receiving tenant-based assistance under this title, if the rent for that family (including the amount allowed for tenant-paid utilities) does not exceed the payment standard established under paragraph (1), the monthly assistance payment to that family shall be equal to the amount by which the rent exceeds the greatest of the following amounts, rounded to the nearest dollar:

''(i) Thirty percent of the monthly adjusted income of the family.

''(ii) Ten percent of the monthly income of the family.

''(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

''(B) FAMILIES RECEIVING TENANT-BASED ASSISTANCE; RENT EXCEEDS PAYMENT STANDARD.—For a family receiving tenant-based assistance under this title, if the rent for that family (including the amount allowed for tenant-paid utilities) exceeds the payment standard established under paragraph (1), the monthly assistance payment to that family shall be equal to the amount by which the applicable payment standard exceeds the greatest of the following amounts, rounded to the nearest dollar:

''(i) Thirty percent of the monthly adjusted income of the family.

''(ii) Ten percent of the monthly income of the family.

''(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

''(C) FAMILIES RECEIVING PROJECT-BASED ASSISTANCE.—For a family receiving project-based assistance under this title, the rent that the family is required to pay shall be determined in accordance with section 3(a)(1), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

''(3) FORTY PERCENT LIMIT.—At the time at which a family initially receives tenant-based assistance under this title with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.

''(4) ELIGIBLE FAMILIES.—At the time at which a family initially receives assistance under this subsection, a family shall qualify as—

''(A) a very low-income family;

''(B) a family previously assisted under this title;

''(C) a low-income family that meets eligibility criteria specified by the public housing agency;

''(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act; or

''(E) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

''(5) ANNUAL REVIEW OF FAMILY INCOME.—Each public housing agency shall, not less frequently than annually, conduct a review of the family income of each family receiving assistance under this subsection.

''(6) SELECTION OF FAMILIES.—

''(A) IN GENERAL.—Each public housing agency may establish local preferences consistent with its public housing agency plan submitted under section 5A.

''(B) EVICTION FOR DRUG-RELATED ACTIVITY.—Any individual or family evicted from housing assisted under this subsection by reason of drug-related criminal activity (as defined in subsection (f)(5)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include waiver for any member of the family of an individual prohibited from receiving assistance under this title whom the public housing agency determines clearly did not participate in and had no knowledge of such criminal activity, or if the circumstances leading to the eviction no longer exist).

''(C) SELECTION OF TENANTS.—The selection of tenants shall be made by the owner of the dwelling unit, subject to the annual contributions contract between the Secretary and the public housing agency.

''(7) LEASE.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit shall provide that—

''(A) the screening and selection of households for such units shall be the function of the owner;

''(B) the lease between the tenant and the owner shall be for a term of not less than 1 year, except that the public housing agency may approve a shorter term for an initial lease between the tenant and the dwelling unit owner if the public housing agency determines that such shorter term would improve housing opportunities for the tenant;

''(C) except as otherwise provided by the public housing agency, may provide for a termination of the tenancy of a resident assisted under this subsection after 1 year;

''(D) the dwelling unit owner shall offer leases to tenants assisted under this subsection that are—

''(i) in a standard form used in the locality by the dwelling unit owner; and

''(ii) contain terms and conditions that—

''(I) are consistent with State and local law; and

''(II) apply generally to tenants in the property who are not assisted under this section;

''(E) the dwelling unit owner may not terminate the tenancy of any person assisted under this subsection during the term of a lease that meets the requirements of this section unless the owner determines, on the same basis and in the same manner as would apply to a tenant in the property who does not receive assistance under this subsection, that—

''(i) the tenant has committed a serious violation of the terms and conditions of the lease;

''(ii) the tenant has violated applicable Federal, State, or local law; or

''(iii) other good cause for termination of the tenancy exists; and

''(F) any termination of tenancy under this subsection shall be preceded by the provision of written notice by the owner to the tenant specifying the grounds for such action, and any relief shall be consistent with applicable State and local law.

''(8) INSPECTION OF UNITS BY PUBLIC HOUSING AGENCIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for each dwelling unit for which a housing assistance payment contract is established under this subsection, the public housing agency shall—

''(i) inspect the unit before any assistance payment is made to determine whether the dwelling unit meets housing quality standards for decent and safe housing established—

''(I) by the Secretary for purposes of this subsection; or

''(II) by local housing codes that exceed housing quality standards or by housing agency-designed codes that exceed housing quality standards; and

''(ii) make periodic inspections during the contract term.

''(B) LEASING OF UNITS OWNED BY PUBLIC HOUSING AGENCY.—If an eligible household assisted under this subsection leases a dwelling unit that is owned by a public housing agency administering assistance under this subsection, the Secretary shall require the unit of general local government, or another entity approved by the Secretary, to make inspections and rent determinations as required by this paragraph.

''(9) EXPEDITED INSPECTION PROCEDURES.—The Secretary shall establish a demonstration project to identify efficient procedures to determine whether units meet housing quality standards for decent and safe housing established by the Secretary. The demonstration project shall include the development of procedures to be followed in any case in which a family receiving tenant-based assistance under this subsection is moving into a dwelling unit, or in which a family notifies the Secretary that a dwelling unit in which they no longer live fails to meet housing quality standards. The Secretary shall also establish procedures for the expedited repair and inspection of units that do not meet housing quality standards.

''(10) VACATED UNITS.—If a family vacates a dwelling unit, no assistance payment may be made under this subsection for the dwelling unit after the month during which the unit was vacated.

''(11) RENT.—

''(A) REASONABLE MARKET RENT.—The rent for dwelling units for which a housing assistance payment contract is established under this subsection shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted, local market.

''(B) NEGOTIATED RENT.—A public housing agency shall, at the request of a family receiving tenant-based assistance under this

subsection, assist such family in negotiating a reasonable rent with a dwelling unit owner. A public housing agency shall review the rent for a unit under consideration by the family (and all rent increases for units under lease by the family) to determine whether the rent (or rent increase) requested by the owner is reasonable. If a public housing agency determines that the rent (or rent increase) for a dwelling unit is not reasonable, the public housing agency shall not make housing assistance payments to the owner under this subsection with respect to such unit.

''(C) UNITS EXEMPT FROM LOCAL RENT CONTROL.—If a dwelling unit for which a housing assistance payment contract is established under this subsection is exempt from local rent control provisions during the term of such contract, the rent for such unit shall be reasonable in comparison with other units in the market area that are exempt from local rent control provisions.

''(D) TIMELY PAYMENTS.—Each public housing agency shall make timely payment of any amounts due to a dwelling unit owner under this subsection. The housing assistance payment contract between the owner and the public housing agency may provide for penalties for the late payment of amounts due under the contract, which shall be imposed on the public housing agency in accordance with generally accepted practices in the local housing market.

''(E) PENALTIES.—Unless otherwise authorized by the Secretary, each public housing agency shall pay any penalties from administrative fees collected by the public housing agency.

''(12) MANUFACTURED HOUSING.—

''(A) IN GENERAL.—A public housing agency may make assistance payments in accordance with this subsection on behalf of a family that utilizes a manufactured home as its principal place of residence. Such payments may be made for the rental of the real property on which the manufactured home owned by any such family is located.

''(B) RENT CALCULATION.—

''(i) CHARGES INCLUDED.—For assistance pursuant to this paragraph, the rent for the space on which a manufactured home is located and with respect to which assistance payments are to be made shall include maintenance and management charges and tenant-paid utilities.

''(ii) PAYMENT STANDARD.—The public housing agency shall establish a payment standard for the purpose of determining the monthly assistance that may be paid for any family under this paragraph. The payment standard may not exceed an amount approved or established by the Secretary.

''(iii) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment under this paragraph shall be determined in accordance with paragraph (2).

''(13) CONTRACT FOR ASSISTANCE PAYMENTS.—

''(A) IN GENERAL.—If the Secretary enters into an annual contributions contract under this subsection with a public housing agency pursuant to which the public housing agency will enter into a housing assistance payment contract with respect to an existing structure under this subsection, the housing assistance payment contract may not be attached to the structure unless the owner agrees to rehabilitate or newly construct the structure other than with assistance under this Act, and otherwise complies with the requirements of this section. The public housing agency may approve a housing assistance payment contract for such structures for not more than 15 percent of the funding available for tenant-based assistance administered by the public housing agency under this section.

''(B) EXTENSION OF CONTRACT TERM.—In the case of a housing assistance payment contract that applies to a structure under this paragraph, a public housing agency shall enter into a contract with the owner, contingent upon the future availability of appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts, to extend the term of the underlying housing assistance payment contract for such period as the Secretary determines to be appropriate to achieve long-term affordability of the housing. The contract shall obligate the owner to have such extensions of the underlying housing assistance payment contract accepted by the owner and the owner's successors in interest.

''(C) RENT CALCULATION.—For project-based assistance under this paragraph, housing assistance payment contracts shall establish rents and provide for rent adjustments in accordance with subsection (c).

''(14) INAPPLICABILITY TO TENANT-BASED ASSISTANCE.—Subsection (c) does not apply to tenant-based assistance under this subsection.

''(15) HOMEOWNERSHIP OPTION.—A public housing agency providing assistance under this subsection may, at the option of the agency, provide assistance for homeownership under subsection (y).''.

SEC. 202. REPEAL OF FEDERAL PREFERENCES.

(a) SECTION 8 EXISTING AND MODERATE REHABILITATION.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

''(A) the selection of tenants shall be the function of the owner, subject to the annual contributions contract between the Secretary and the agency, except that with respect to the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that are not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;''.

(b) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(1) REPEAL.—Section 545(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended to read as follows:

''(c) [Reserved.]''.

(2) PROHIBITION.—Notwithstanding any other provision of law, no Federal tenant selection preferences shall apply with respect to—

(A) housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937 (as such section existed on the day before October 1, 1983); or

(B) projects financed under section 202 of the Housing Act of 1959 (as such section existed on the day before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act).

(c) RENT SUPPLEMENTS.—Section 101(k) of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is amended to read as follows:

''(k) [Reserved.]''.

(d) CONFORMING AMENDMENTS.—

(1) UNITED STATES HOUSING ACT OF 1937.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(A) in section 6(o), by striking ''preference rules specified in'' and inserting ''written selection criteria established pursuant to'';

(B) in section 7(a)(2), by striking ''according to the preferences for occupancy under'' and inserting ''in accordance with the written selection criteria established pursuant to'';

(C) in section 7(a)(3), by striking ''who qualify for preferences for occupancy under'' and inserting ''who meet the written selection criteria established pursuant to'';

(D) in section 8(d)(2)(A), by striking the last sentence;

(E) in section 8(d)(2)(H), by striking ''notwithstanding subsection (d)(1)(A)(i), an'' and inserting ''An'';

(F) in section 16(c), in the second sentence, by striking ''the system of preferences established by the agency pursuant to section 6(c)(4)(A)(ii)'' and inserting ''the written selection criteria established by the public housing agency pursuant to section 6(c)(4)(A)''; and

(G) in section 24(e)—

(i) by striking ''(e) EXCEPTIONS.—'' and all that follows through ''The Secretary may'' and inserting the following:

''(e) EXCEPTION TO GENERAL PROGRAM REQUIREMENTS.—The Secretary may''; and

(ii) by striking paragraph (2).

(2) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704 et seq.) is amended—

(A) in section 455(a)(2)(D)(iii), by striking ''would qualify for a preference under'' and inserting ''meet the written selection criteria established pursuant to'';

(B) in section 522(f)(6)(B), by striking ''any preferences for such assistance under section 8(d)(1)(A)(i)'' and inserting ''the written selection criteria established pursuant to section 8(d)(1)(A)''; and

(3) LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990.—The second sentence of section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is amended by striking ''requirement for giving preferences to certain categories of eligible families under'' and inserting ''written selection criteria established pursuant to''.

(4) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking ''preferences for occupancy'' and all that follows before the period at the end and inserting ''selection criteria established by the owner to elderly families according to such written selection criteria, and to near-elderly families according to such written selection criteria, respectively''.

(5) REFERENCES IN OTHER LAW.—Any reference in any Federal law other than any provision of any law amended by paragraphs (1) through (5) of this subsection or section 201 to the preferences for assistance under section 6(c)(4)(A)(i), 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States Housing Act of 1937 (as such sections existed on the day before the date of enactment of this Act) shall be considered to refer to the written selection criteria established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(6)(A), respectively, of the United States Housing Act of 1937, as amended by this subsection and section 201 of this Act.

SEC. 203. PORTABILITY.

Section 8(r) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)) is amended—

(1) in paragraph (1), by striking ''assisted under subsection (b) or (o)'' and inserting ''receiving tenant-based assistance under subsection (o)'';

(2) in paragraph (3)—

(A) by striking ''(b) or''; and

(B) by adding at the end the following new sentence: ''The Secretary may reserve amounts available for assistance under subsection (o) to compensate public housing

agencies that issue vouchers to families that move into the jurisdiction of the public housing agency under portability procedures.''; and

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

''(5) LEASE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease.''.

SEC. 204. LEASING TO VOUCHER HOLDERS.

Section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)) is amended to read as follows:

''(t) [Reserved.]''.

SEC. 205. HOMEOWNERSHIP OPTION.

Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) in paragraph (1)(A), by inserting before the semicolon '', or owns or is acquiring shares in a cooperative'';

(2) in paragraph (1)(B)(i), by inserting before the semicolon ''and demonstrates to the public housing agency that it has sufficient resources for homeownership'';

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

''(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—

''(A) MONTHLY EXPENSES DO NOT EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

''(i) Thirty percent of the monthly adjusted income of the family.

''(ii) Ten percent of the monthly income of the family.

''(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

''(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the following amounts, rounded to the nearest dollar:

''(i) Thirty percent of the monthly adjusted income of the family.

''(ii) Ten percent of the monthly income of the family.

''(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.'';

(4) by striking paragraphs (3) and (4); and

(5) by redesignating paragraphs (5) through (8) as paragraphs (3) through (6), respectively.

SEC. 206. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CONTRACT PROVISIONS AND REQUIREMENTS.—Section 6(p)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437d(p)(1)(B)) is amended by striking ''holding certificates and vouchers'' and inserting ''receiving tenant-based assistance''.

(b) LOWER INCOME HOUSING ASSISTANCE.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) in subsection (a), by striking the second and third sentences;

(2) in subsection (b)—

(A) in the section heading, by striking ''RENTAL CERTIFICATES AND''; and

(B) in the first undesignated paragraph—

(i) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary''; and

(ii) by striking the second sentence;

(3) in subsection (c)—

(A) in paragraph (3)—

(i) by striking ''(A)''; and

(ii) by striking subparagraph (B);

(B) in the first sentence of paragraph (4), by striking ''or by a family that qualifies to receive'' and all that follows through ''1990'';

(C) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5);

(D) by striking paragraph (7) and redesignating paragraphs (8) through (10) as paragraphs (6) through (8), respectively;

(E) in paragraph (6), as redesignated, by inserting ''(other than a contract under section 8(o))'' after ''section'';

(F) in paragraph (7), as redesignated, by striking ''(but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o))'' and inserting '', other than a contract for tenant-based assistance under this section''; and

(G) in paragraph (8), as redesignated, by striking ''Secretary'' and inserting ''contract administrator'';

(4) in subsection (d)—

(A) in paragraph (1)(B)(iii), by striking ''on or near such premises''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking the third sentence and all that follows through the end of the subparagraph; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) [Reserved.]'';

(5) in subsection (f)—

(A) in paragraph (6), by striking ''(d)(2)'' and inserting ''(o)(11)''; and

(B) in paragraph (7)—

(i) by striking ''(b) or''; and

(ii) by inserting before the period the following: ''and that provides for the eligible family to select suitable housing and to move to other suitable housing'';

(6) by striking subsection (j) and inserting the following:

''(j) [Reserved.]'';

(7) by striking subsection (n) and inserting the following:

''(n) [Reserved.]'';

(8) in subsection (q)—

(A) in the first sentence of paragraph (1), by striking ''and housing voucher programs under subsections (b) and (o)'' and inserting ''program under this section'';

(B) in paragraph (2)(A)(i), by striking ''and housing voucher programs under subsections (b) and (o)'' and inserting ''program under this section''; and

(C) in paragraph (2)(B), by striking ''and housing voucher programs under subsections (b) and (o)'' and inserting ''program under this section'';

(9) in subsection (u), by striking ''certificates or'' each place such term appears; and

(10) in subsection (x)(2), by striking ''housing certificate assistance'' and inserting ''tenant-based assistance''.

(c) RENTAL REHABILITATION AND DEVELOPMENT GRANTS.—Section 17(d)(6)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437o(d)(6)(B)) is amended by striking ''holding certificates under'' and inserting ''receiving tenant-based assistance''.

(d) PUBLIC HOUSING HOMEOWNERSHIP AND MANAGEMENT OPPORTUNITIES.—Section 21(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b)) is amended—

(1) in the first sentence, by striking ''(at the option of the family) a certificate under section 8(b)(1) or a housing voucher under section 8(o)'' and inserting ''tenant-based assistance under section 8''; and

(2) by striking the second sentence.

(e) DOCUMENTATION OF EXCESSIVE RENT BURDENS.—Section 550(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended—

(1) in paragraph (1), by striking ''assisted under the certificate and voucher programs established'' and inserting ''receiving tenant-based assistance'';

(2) in the first sentence of paragraph (2)—

(A) by striking '', for each of the certificate program and the voucher program'' and inserting ''for the tenant-based assistance under section 8''; and

(B) by striking ''participating in the program'' and inserting ''receiving tenant-based assistance''; and

(3) in paragraph (3), by striking ''assistance under the certificate or voucher program'' and inserting ''tenant-based assistance under section 8 of the United States Housing Act of 1937''.

(f) GRANTS FOR COMMUNITY RESIDENCES AND SERVICES.—Section 861(b)(1)(D) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12910(b)(1)(D)) is amended by striking ''certificates or vouchers'' and inserting ''assistance''.

(g) SECTION 8 CERTIFICATES AND VOUCHERS.—Section 931 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437c note) is amended by striking ''assistance under the certificate and voucher programs under sections 8(b) and (o) of such Act'' and inserting ''tenant-based assistance under section 8 of the United States Housing Act of 1937''.

(h) ASSISTANCE FOR DISPLACED TENANTS.—Section 223(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 4113(a)) is amended by striking ''assistance under the certificate and voucher programs under sections 8(b) and 8(o)'' and inserting ''tenant-based assistance under section 8''.

(i) RURAL HOUSING PRESERVATION GRANTS.—Section 533(a) of the Housing Act of 1949 (42 U.S.C. 1490m(a)) is amended in the second sentence by striking ''assistance payments as provided by section 8(o)'' and inserting ''tenant-based assistance as provided under section 8''.

(j) REPEAL OF MOVING TO OPPORTUNITIES FOR FAIR HOUSING DEMONSTRATION.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note) is repealed.

(k) PREFERENCES FOR ELDERLY FAMILIES AND PERSONS.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking ''the first sentence of section 8(o)(3)(B)'' and inserting ''section 8(o)(6)(A)''.

(*l*) ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS.—Section 201(m)(2)(A) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1a(m)(2)(A)) is amended by striking ''section 8(b)(1)'' and inserting ''section 8''.

(m) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203(g)(2) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(g)(2)), as amended by section 101(b) of the Multifamily Housing Property Disposition Reform Act of 1994, is amended by striking ''8(o)(3)(B)'' and inserting ''8(o)(6)(A)''.

SEC. 207. IMPLEMENTATION.

In accordance with the negotiated rulemaking procedures set forth in subchapter

III of chapter 5 of title 5, United States Code, the Secretary shall issue such regulations as may be necessary to implement the amendments made by this title after notice and opportunity for public comment.

SEC. 208. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this title shall become effective not later than 1 year after the date of enactment of this Act.

(b) CONVERSION ASSISTANCE.—

(1) IN GENERAL.—The Secretary may provide for the conversion of assistance under the certificate and voucher programs under subsections (b) and (o) of section 8 of the United States Housing Act of 1937, as such sections existed before the effective date of the amendments made by this title, to the voucher program established by the amendments made by this title.

(2) CONTINUED APPLICABILITY.—The Secretary may apply the provisions of the United States Housing Act of 1937, or any other provision of law amended by this title, as such provisions existed on the day before the effective date of the amendments made by this title, to assistance obligated by the Secretary before such effective date for the certificate or voucher program under section 8 of the United States Housing Act of 1937, if the Secretary determines that such action is necessary for simplification of program administration, avoidance of hardship, or other good cause.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. PUBLIC HOUSING FLEXIBILITY IN THE CHAS.

Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended—

(1) by redesignating the second paragraph designated as paragraph (17) (as added by section 681(2) of the Housing and Community Development Act of 1992) as paragraph (20);

(2) by redesignating paragraph (17) (as added by section 220(b)(3) of the Housing and Community Development Act of 1992) as paragraph (19);

(3) by redesignating the second paragraph designated as paragraph (16) (as added by section 220(c)(1) of the Housing and Community Development Act of 1992) as paragraph (18);

(4) in paragraph (16)—

(A) by striking the period at the end; and

(B) by striking ''(16)'' and inserting ''(17)'';

(5) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and–

(6) by inserting after paragraph (10) the following new paragraph:

''(11) describe how the jurisdiction's plan will help address the needs of public housing and coordinate with the local public housing agency plan under section 5A of the United States Housing Act of 1937;''.

SEC. 302. PUBLIC HOUSING FLEXIBILITY IN THE HOME PROGRAM.

Section 212(d) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742) is amended—

(1) in paragraph (3), by adding ''or'' at the end;

(2) by striking paragraphs (4) and (5); and

(3) by redesignating paragraph (6) as paragraph (4).

SEC. 303. REPEAL OF CERTAIN PROVISIONS.

(a) MAXIMUM ANNUAL LIMITATION ON RENT INCREASES RESULTING FROM EMPLOYMENT.—

(1) REPEAL.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12714) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be deemed to have the same effective date as section 957 of the Cranston-Gonzalez National Affordable Housing Act.

(b) ECONOMIC INDEPENDENCE.—

(1) REPEAL.—Section 923 of the Housing and Community Development Act of 1992 (42 U.S.C. 12714 note) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be deemed to have the same effective date as section 923 of the Housing and Community Development Act of 1992.

SEC. 304. DETERMINATION OF INCOME LIMITS.

(a) IN GENERAL.—Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is amended—

(1) in the fourth sentence—

(A) by striking ''County'' and inserting ''and Rockland Counties''; and

(B) by inserting ''each'' before ''such county''; and

(2) in the fifth sentence, by striking ''County'' each place such term appears and inserting ''and Rockland Counties''.

(b) REGULATIONS.—Not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, the Secretary shall issue regulations implementing the amendments made by subsection (a).

PUBLIC HOUSING REFORM AND RESIDENT EMPOWERMENT ACT—SUMMARY OF KEY PROVISIONS

FINDINGS

Recognizes the Federal government's limited capacity and expertise to manage and oversee 3,400 public housing agencies nationwide. Acknowledges the concentration of the very poor in very poor neighborhoods, disincentives for economic self-sufficiency, and lack of resident choice have been the unintended consequences resulting from Federal micromanagement of housing programs in the past.

PURPOSE

To reform the public housing system by consolidating programs, streamlining program requirements, and providing maximum flexibility and discretion to public housing authorities (PHAs) who perform well with strict accountability to residents and localities, and to address the problems of housing authorities with severe management deficiencies.

BASIC PROVISIONS

Program consolidation.—Consolidates public housing programs into two flexible block grants—one for operating expenses and one for capital needs. Requires HUD to establish new formulas through negotiated rulemaking.

Elimination of obsolete regulations.—Eliminates all current HUD rules, regulations, handbooks, and notices pertaining to the 1937 Housing Act one year after enactment; requires HUD to propose new regulations necessary to carry out revised Act within 6 months.

Public housing agency plan [PHAP].—As a condition for funding, requires each PHA to submit annually a written agency plan to HUD, developed with an advisory board made up of residents and members of the community. The plan is intended to serve as an operating, management and planning tool for PHAs. The plan would include: a description of the PHA's uses for operating and capital funds; a description of the PHA's management policies; procedures relating to eligibility, selection, and admission; and policies involving marketing, rents, security, and tenant empowerment activities.

Vouchering out of public housing.—Allows PHAs to convert any public housing development to a tenant-based or ''voucher'' system, but requires the vouchering out of all severely distressed public housing. Requires each PHA to assess all public housing for the purpose of vouchering out by performing a cost and market analysis and an impact analysis on the affected community.

Choice and opportunity for residents.—Provides families with vouchers and the freedom to move out of housing projects that are in deplorable, unlivable condition. Involves residents in the process of developing a PHA plan that is responsive to their needs. Provides funds for resident organizations to develop resident management and empowerment activities.

Federal preferences.—Repeals Federal preferences and allows PHAs to operate according to locally established preferences consistent with local housing needs.

Income targeting and eligibility.—Allows PHAs to serve families with incomes up to 80 percent of median income, except that at least 40 percent of the units must be reserved for families whose income does not exceed 30 percent of the area median.

Rent flexibility.—Allows high performing PHAs to establish rents with protections for very low income families (families with incomes below 30 percent of the area median would not have to pay more than 30 percent of their income for rent, except that a PHA could charge a minimum rent up to $30 per month). Encourages PHAs to develop rental policies that encourage and reward employment and upward mobility.

Ceiling rents.—Allows PHAs to set ceiling rents that reflect the reasonable rental value of units in order to remove the disincentive for residents to work or seek higher paying jobs where rents are based on a percentage of income.

Minimum rents.—Allows PHAs to set a minimum rent for both Section 8 and public housing units, not to exceed $30 per month.

Income adjustments.—Allows a PHA to disregard certain income in calculating rents to take away the disincentive for tenants to work and earn higher incomes.

Troubled PHAs.—Requires HUD to take over or appoint a receiver for PHAs that are in substantial default within one year of enactment. Expands HUD's powers for dealing with troubled PHAs by allowing it to break up troubled agencies into one or more agencies, abrogate contracts that impede correction of the agency's default, and demolish and dispose of a PHA's assets.

Demolition and disposition.—Repeals the one-for-one replacement requirement and streamlines the demolition and disposition process to permit PHAs to dispose of vacant or obsolete housing.

Criminal activity.—Strengthens the ability of PHAs to evict residents for drug-related criminal activity; denies housing assistance to residents evicted for drug-related activities for up to three years; and provides PHAs with greater access to the criminal conviction records of adult applicants and residents.

Consortia and joint ventures.—Allows PHAs to form a consortium with other PHAs, form and operate wholly-owned or controlled subsidiaries, or enter into joint ventures, partnerships or other business arrangements to administer housing programs.

Designated housing for the elderly and disabled.—Permits PHAs to separate elderly and disabled persons by designating specific projects or parts of projects for a particular population only.

Work requirements.—Requires residents to perform 8 hours of community work per month with the exception for the elderly, disabled and those working full time.

Section 8 tenant based assistance.—Merges the voucher and certificate program into a single voucher program that emphasizes lease requirements similar to the market place. Repeals requirements that are administratively burdensome to landlords, such as ''take one take all,'' endless lease, federal

preferences, and ninety-day termination notice requirements.

Mr. D'AMATO. Mr. President, I rise to cosponsor the Public Housing Reform and Empowerment Act of 1995. I wish to salute Senators CONNIE MACK and KIT BOND for their successful leadership in the development of this legislation. Without their guidance and direction, there would not be a public housing reform bill before you today. Both Senators are to be commended for their strong commitment to improving housing conditions in America.

Mr. President, ''The Public Housing Reform and Empowerment Act of 1995'' is an important first step in the lengthy process of addressing the housing concerns of our nation. It represents a significant starting point in the passage of long overdue reforms of the Department of Housing and Urban Development [HUD]. Given limited Federal resources and the need to balance the budget within 7 years, Congress must find more cost-effective ways to provide affordable housing. This bill represents a concrete step in the fulfillment of Congress' responsibility to the American taxpayer to ensure that every Federal dollar is maximized to its greatest potential.

Substantial input from HUD, public housing authorities, tenant associations and other interested parties has been received and incorporated into this legislation. However, I look forward to additional examination of this bill and further improvement of its provisions.

Mr. President, the Honorable Senator from Florida has outlined the provisions of the bill in great detail. I would like to comment on several guiding principles of the legislation. First, it would reform the public housing system through the devolution of control from the Federal Government to the public housing authorities and their tenants. It would consolidate programs, streamline program requirements and provide greatly increased flexibility to public housing authorities.

The bill also provides incentives to facilitate the transition from welfare to work and empower public housing tenants. This will allow our nation's public housing residents a greater opportunity to achieve economic independence. Furthermore, the bill would streamline the demolition and disposition process of distressed housing projects through the repeal of the one-for-one replacement requirement and other measures.

The bill recognizes that public housing is most effective when there is a viable income mix among its residents. Federal preferences would be repealed. High performance public housing authorities would be allowed to establish rents with protections provided for very low-income families. The ''Brooke Amendment,'' which does not allow a rent greater than 30 percent of tenant income, would be waived in some instances. I will continue to closely analyze the impact, both immediate and future, which such a waiver would have on the tenants whom we are committed to serving. Also, special protections should be considered for elderly and disabled individuals living on fixed incomes.

The safety and security of the residents of public and assisted housing is a paramount objective. To that end, the bill would allow public housing authorities increased access to criminal conviction records and permit greater flexibility in the eviction of drug criminals. Public housing authorities depend on drug elimination funding to provide police to safeguard law-abiding tenants. I will continue to closely examine the practical effects of the bill's provision which would fold the drug elimination grant program into a block grant.

''The Public Housing Reform and Empowerment Act'' officially embarks us on the reinvention of the Department of Housing and Urban Development and the redirection of our Nation's housing policy. I would like to personally congratulate Senator MACK for his initiative and steadfastness in producing a public housing reform bill which is thoughtful and well-balanced. As chairman of the Banking Subcommittee on Housing Opportunity and Community Development, he faces the strong challenge of reforming the Department of Housing and Urban Development. I strongly support the Senator's deliberate and measured approach to addressing the complex and difficult housing issues before us.

HUD is at a crossroads. HUD's fiscal crisis, poor management, and lack of capacity have placed the Department in a situation in which it can no longer continue with business as usual. HUD is expected to do too much and has too many varied and competing constituencies. We must determine which current functions should be transferred to other Federal agencies or other levels of government and which programs, if any, should be preserved within HUD.

The Banking Committee and its Housing Subcommittees will continue to evaluate proposals for HUD reorganization and elimination. Congress will seek to thoroughly address a myriad of housing issues.

I would like to acknowledge Senator LAUCH FAIRCLOTH, chairman of the Banking Subcommittee on HUD Oversight and Structure, for his diligence in his oversight role of the Department of Housing and Urban Development. His forthright views on the future of HUD effectively serve to widen the debate on the Department's potential for reform.

Additional legislative initiatives to reform HUD will be offered. However, reforms must be made with caution and careful consideration of budgetary and social impacts. Congress must assess fully the potential ramifications of statutory change on State and local governments and entities, the capital and bond markets, property owners and managers, local communities, and program recipients.

We must remember that the fundamental goal of this process is to address adequately the affordable housing and community development needs of our citizens in a time of dwindling Federal resources. It is imperative that we protect our needy poor and working class residents whom these programs are intended to serve. I believe this bill balances the social purpose of public and assisted housing programs while also responding to Federal fiscal constraints.

I look forward to working with all Members of the Banking Committee on a bipartisan basis to ensure the swift passage of this important housing initiative.

Mr. BOND. Mr. President, today, Senator MACK, Senator D'AMATO, and I are introducing a housing reauthorization bill, the Public Housing Reform and Empowerment Act of 1995.

Over the last several months, I have worked with my colleagues on the appropriating committee where I serve as chairman of the VA/HUD Appropriations Subcommittee, and my fellow members of the housing authorizing committee to do something about the train wreck that has occurred in public housing. Within this context, this public housing reform bill dovetails with many of the public housing reforms contained in the VA/HUD FY 1996 appropriations bill and reflects the need to provide streamlined programs and local responsibility as the most appropriate method to address local housing needs. This bill also represents a complete overhaul of the public housing system and a move away from HUD's ''one size fits all'' mentality.

As I discussed on this floor this summer, when the rescissions bill was before us, HUD not only is a dysfunctional agency but it has made far too many commitments to be able to live up to those commitments. HUD has undertaken advance commitments for new housing beyond its ability and capacity particularly under these budget constraints to fund.

We have in the rescissions bill taken over $6 billion out of the current year's budget authority for Department of Housing and Urban Development. In the coming fiscal year, our subcommittee has over $9 billion less for budget authority than we do in the current year. As a result, the budgetary pressures are forcing us to reevaluate all HUD housing and community development programs, including the public housing programs. It is not only the budget pressures, Mr. President; it is the total lack of foresight in planning in HUD that has led us to the situation where reforms are vitally needed.

Any of us who go back to our States and talk with people who are in housing, who are concerned about providing housing for those in need, know that reforms are needed. The housing reauthorization bill that I am introducing with my colleagues on the Banking

Committee today goes a long way towards making the changes in law that will enable public housing authorities in local jurisdictions to make the decisions that are so vitally important to assure that we continue to supply housing to those who are counting on it.

In public housing, frankly, we are going to move to two flexible block grants, one for operating funds, one for capital grants. I emphasize flexibility; for example, the operating funds should be used by well performing public housing authority as that housing authority wants and needs. Too many times in too many areas we have seen HUD trying to second-guess the decisions made by those who are on-site directly responsible to the residents or tenants they serve, and the decisions have been delayed or denied. There has been an inordinate amount of red tape and delay, hamstringing the ability of public housing authorities to move forward.

This block grant system would allow PHAs to make the decisions on operating funds. PHAs also would have a separate fund for capital grants. This would enable them to decide how to modernize or rehabilitate public housing or, in many instances, demolish unusable and obsolete public housing.

We also tell housing authorities that if they have uninhabitable housing units that are not good places to raise families, that are unsafe, unclean, crime and drug havens, then they ought to tear them down and move those families out. This to me is a very important step for us to clean up our communities and provide decent housing for the people who depend upon publicly assisted housing.

We think there are tremendous savings and tremendously improved services that will come about from getting HUD out of the business of micromanaging public housing at the local level.

Now, we believe that good performing public housing authorities ought to be freed of the day-to-day regulation by HUD. We would require that all public housing authorities submit a public housing agency plan to HUD that tells how they are going to serve their tenants. They would have an advisory committee made up of 60 percent of the tenants or residents who would work with them on the plan, but the housing authority would have the final authority.

That plan would be submitted to the HUD Secretary, and the Secretary would have 45 days to disapprove it. If it were not disapproved, it would be in effect. The only reasons the Secretary could disapprove a plan is if it is incomplete, does not comply with law, or HUD has other information that the housing authority is not living up to the commitments made in its previous plans. So there would be some minimal oversight for good performing public housing.

We also make it clear that where public housing authorities are not doing their job, HUD can then step in and provide more extensive oversight, and if they are totally failed public housing authorities, HUD would be empowered to take over the authorities, be able to petition for a receiver and take over the management, turn it over to a competent manager, either private sector, not-for-profit or for-profit manager to make sure that the people who are in public housing are well served.

I have seen too many instances, as I have visited public housing authorities around this country, where they are not being well served; the residents are not being well served because too much time, effort and energy is being spent on complying with rules, requirements, and directives that HUD bureaucrats have laid down that make no sense and do not serve local needs.

In addition to the basic structure, we get rid of permanently the one-for-one hard unit replacement rule on public housing. That has prevented many, many housing authorities and communities from tearing down outmoded, obsolete and unsafe public housing units. Even though there may only be 25 percent occupancy, the rules that HUD has previously operated under say if you tear down a dilapidated, unsafe housing project, which is only 25 percent occupied, you have to replace it with 100 percent of the units. This removes the ability to make common sense decisions on the demolition and disposition of public housing. The Secretary of HUD has agreed with us, that the one-for-one replacement rule needs to go. That is essential for our communities.

This legislation would still continue to protect the poorest of the poor by requiring public housing authorities to continue to make 40 percent of all units available to families whose incomes do not exceed 30 percent of the area median income, and to make all other units available to families with incomes no greater than 80 percent of median.

This bill also addresses the problem of mixed populations in public housing where we house both the elderly and the young disabled, including drug abusers, alcoholics, and people with mental disabilities. This has been a significant housing problem and this housing legislation would provide local flexibility to designate elderly-only housing and disabled-only housing, subject to strong tenant protections. The existing, burdensome HUD requirements have proven to be unacceptable and unworkable.

Finally this bill reforms and consolidates the section 8 voucher and certificate programs into a single voucher program which is designed to reduce administrative burden and increase the acceptability of vouchers in the private housing market.

I think of this bill as part of a downpayment on a larger HUD reform which I expect will be pursued through appropriations and the Banking Committee. I reemphasize that the job is not simple; as chairman of the VA/HUD Appropriations Subcommittee and as a member of the Housing Opportunities Subcommittee of the Senate Banking Committee, I can personally attest to the many complexities of HUD programs and the need to redirect federal housing and community development policy from federal micromanagement to state and local decisionmaking.

HUD has become the poster child for bad government. Nevertheless, I am not recommending that we dismantle HUD, but I do suggest that we devolve many of HUD's responsibilities to states and localities or other entities better able to handle them.

Mr. President, I see that my time has expired. I ask unanimous consent that a letter in support of this measure prepared by the Missouri National Association of Housing Officers be printed in the RECORD.

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

MISSOURI CHAPTER, NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS,
Jefferson City, MO, September 15, 1995.

Hon. CHRISTOPHER S. BOND,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOND: The members of the Missouri Chapter of the National Association of Housing and Redevelopment Officials (NAHRO), representing 250 members of public housing organizations across the state today voted to endorse the draft Bond-Mack Public Housing Reform and Empowerment Act of 1995.

There is a need for safe, affordable housing in every community. Yet public housing authorities cannot hope to meet the needs of their communities in a new era of spending limitations without the flexibility to design and administer housing programs for their own set of challenges. Further, de-emphasizing the Housing and Urban Development Department's reams of regulations in favor of better accountability assessment and incentives is an idea which is long overdue.

The Bond-Mack legislation offers a reasonable step toward continuing a federal housing policy with consistent eligibility guidelines and rent floors, yet allowing the establishment of local priorities by providing broad flexibility for demolishing and disposing of obsolete public housing and simplifying the procedures for designating elderly and disabled public housing.

Especially important in this difficult budget time is the Bond-Mack bill's elimination of the numerous, restrictive funding categories administered by HUD in favor of a flexible Operating Fund and Capital Fund with part of the Capital Fund available for use for Operating Fund projects. The bill also consolidates the Section 8 voucher and certificate programs into a single voucher program, which translates into improved administrative efficiencies.

Public housing authorities welcome the opportunity to show that we can improve housing and streamline bureaucratic regulations if given the opportunity. The Bond-Mack bill recognizes that only by replacing restrictive federal regulations with local flexibility can public housing meet the needs of its communities in tough budget times, and we appreciate having had the opportunity to work

with you and your staff during the drafting of the bill. Missouri NAHRO looks forward to continuing to work closely with you as the legislation continues to develop and move toward final passage.

Sincerely,

ALLEN POLLOCK, PE,
President, MO NAHRO.

By Mr. MOYNIHAN:

S. 1261. A bill to amend the Internal Revenue Code of 1986 to prevent the avoidance of tax through the use of foreign trusts; to the Committee on Finance.

THE USE OF FOREIGN TRUSTS TO AVOID U.S. TAXES

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation designed to stem the use of foreign trusts for the avoidance of U.S. taxes. The administration's fiscal year 1996 budget, which contained a series of proposals for change in the taxation of income from foreign trusts, called attention to this problem earlier this year. Since then, I have been committed to developing practical rules to dramatically improve tax compliance when foreign trusts are used, without unduly burdening legitimate financial transactions. The bill I introduce today represents a serious attempt to achieve that balance.

It is difficult to estimate precisely the magnitude of tax avoidance occurring through the use of foreign trusts. But we have some disturbing evidence. Under current law, U.S. taxpayers are required to report the assets held in foreign trusts that they have established. But the IRS reports that only $1.5 billion of foreign trust assets were reported in 1993. The estimates of total U.S. source funds held abroad in tax haven jurisdictions are staggering by comparison, in the hundreds of billions.

In 1989, the New York Times reported that financial institutions in the Cayman Islands, Luxembourg, and the Bahamas had $240 billion, $200 billion, and $180 billion, respectively, on deposit from the United States. (New York Times, October 29, 1989, pg. 10.) More recently, Barron's estimated that a total of $440 billion was on deposit in the Cayman Islands in 1993, with 60 percent of that amount—$264 billion—coming from the United States. (Barron's, January 4, 1993, pg. 14.) To put this in some perspective, Barron's calculated that there was more American money on deposit in the Cayman Islands than in all of the commercial banks in California. Although only a portion of U.S. funds abroad are held in foreign trusts, the Treasury Department estimates that tens of billions of dollars are held in offshore asset protection trusts established by U.S. persons.

Undoubtedly motivations behind establishing offshore accounts vary, and tax advantages may pale in comparison to the ability to protect assets from U.S. tort or other liabilities. Whatever the initial motivation for moving assets offshore, however, it seems clear that a very large portion of the assets soon disappear insofar as U.S. tax reporting is concerned. The result is rampant tax avoidance. Because tax haven jurisdictions typically have bank secrecy laws, the IRS is effectively precluded from uncovering the information necessary to enforce our tax laws. Tax enforcement is almost entirely dependent upon voluntary reporting by taxpayers, and the evidence is clear that voluntary compliance in this area is lacking.

Something must be done, and the intent behind this bill is to end the ease with which taxpayers can reduce their tax bills by legally or illegally taking advantage of existing foreign trust rules.

Over the past several months I have received extensive comments from practitioners and academics concerning the administration's original foreign trust proposals and possible alternatives. These comments have been very useful. I would like to thank in particular the tax section of the New York State Bar Association for their detailed analysis. A tremendous amount of work went into their submission, prepared on request and within a very short period of time.

The bill I introduce today is substantially revised from the original administration bill—S. 453—to reflect many of the comments received. It has been developed over the last few months in cooperation with my counterpart on the Ways and Means Committee, Congressman GIBBONS, who has been unwavering in his efforts to improve tax compliance in the foreign area. I have also worked with the Treasury Department to develop rules that adequately address the needs for effective tax administration.

There are a number of aspects to this legislation. The provisions designed to enable the IRS to obtain better information on foreign trusts are perhaps the most significant. The bill would substantially strengthen the current information reporting rules on transfers to, and annual operations of, foreign trusts. Among other changes, the bill includes new rules designed to lead most foreign trusts established by U.S. persons to appoint a U.S. agent that can provide trust information to the IRS. In addition, the recipients of monies from foreign trusts would be required to report amounts received. Penalties for failure to comply with reporting requirements would be raised so that they have genuine deterrent effect—as contrasted to the nominal penalties of current law.

The bill would also close a number of loopholes in the existing grantor trust tax rules, a series of rules that specify when the existence of a trust will be ignored for tax purposes because the creator of the trust retains sufficient control over the assets transferred to be appropriately treated as continuing to own the assets. For example, a foreign person—generally not taxable in the United States—transferring assets to a trust for the benefit of U.S. persons generally would not be treated as the tax owner of the assets in the trust unless the trust was fully revocable. Instead, the U.S. beneficiary receiving income from the trust would be taxed on receipt of that income.

The ability to manipulate other foreign trust rules also would be curbed. A U.S. beneficiary's use of property of a foreign trust would be treated as the receipt of a distribution from the trust, taxable to the beneficiary. In addition, a U.S. beneficiary receiving a distribution from a foreign trust's accumulated income would be charged a market rate of interest on taxes due—on a prospective basis—rather than the currently prescribed 6 percent simple interest.

Finally, the bill includes rules to provide greater certainty as to the classification of a trust as foreign or domestic. Under current law, there is considerable uncertainty on this issue because the determination is based on all relevant facts.

A more comprehensive description of the bill, and of the major differences between the legislation that I introduce today and the original administration proposal, has been prepared. I ask unanimous consent that this summary, together with the bill, be placed in the RECORD at the conclusion of my remarks.

Mr. President, I believe this legislation represents a balanced approach to the problem of tax avoidance through the use of foreign trusts, and a significant improvement over the administration's initial legislative proposal. There should be an opportunity to act this year to end the use of foreign trusts to avoid U.S. taxes. I look forward to continuing this effort.

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

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

S. 1261

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 ''Foreign Trust Tax Compliance Act of 1995''.

SEC. 2. IMPROVED INFORMATION REPORTING ON FOREIGN TRUSTS.

(a) IN GENERAL.—Section 6048 of the Internal Revenue Code of 1986 (relating to returns as to certain foreign trusts) is amended to read as follows:

''SEC. 6048. INFORMATION WITH RESPECT TO CERTAIN FOREIGN TRUSTS.

''(a) NOTICE OF CERTAIN EVENTS.—

''(1) GENERAL RULE.—On or before the 90th day (or such later day as the Secretary may prescribe) after any reportable event, the responsible party shall provide written notice of such event to the Secretary in accordance with paragraph (2).

''(2) CONTENTS OF NOTICE.—The notice required by paragraph (1) shall contain such information as the Secretary may prescribe, including—

''(A) the amount of money or other property (if any) transferred to the trust in connection with the reportable event, and

''(B) the identity of the trust and of each trustee and beneficiary (or class of beneficiaries) of the trust.

''(3) REPORTABLE EVENT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'reportable event' means—

''(i) the creation of any foreign trust by a United States person,

''(ii) the transfer of any money or property (directly or indirectly) to a foreign trust by a United States person, including a transfer by reason of death, and

''(iii) the death of a citizen or resident of the United States if—

''(I) the decedent was treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, or

''(II) any portion of a foreign trust was included in the gross estate of the decedent.

''(B) EXCEPTIONS.—

''(i) FAIR MARKET VALUE SALES.—Subparagraph (A)(ii) shall not apply to any transfer of property to a trust in exchange for consideration of at least the fair market value of the transferred property. For purposes of the preceding sentence, consideration other than cash shall be taken into account at its fair market value and the rules of section 679(a)(3) shall apply.

''(ii) PENSION AND CHARITABLE TRUSTS.—Subparagraph (A) shall not apply with respect to a trust which is—

''(I) described in section 404(a)(4) or 404A, or

''(II) determined by the Secretary to be described in section 501(c)(3).

''(4) RESPONSIBLE PARTY.—For purposes of this subsection, the term 'responsible party' means—

''(A) the grantor in the case of the creation of an inter vivos trust,

''(B) the transferor in the case of a reportable event described in paragraph (3)(A)(ii) other than a transfer by reason of death, and

''(C) the executor of the decedent's estate in any other case.

''(b) UNITED STATES GRANTOR OF FOREIGN TRUST.—

''(1) IN GENERAL.—If, at any time during any taxable year of a United States person, such person is treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, such person shall be responsible to ensure that—

''(A) such trust makes a return for such year which sets forth a full and complete accounting of all trust activities and operations for the year, the name of the United States agent for such trust, and such other information as the Secretary may prescribe, and

''(B) such trust furnishes such information as the Secretary may prescribe to each United States person (i) who is treated as the owner of any portion of such trust or (ii) who receives (directly or indirectly) any distribution from the trust.

''(2) TRUSTS NOT HAVING UNITED STATES AGENT.—

''(A) IN GENERAL.—If the rules of this subsection apply to any foreign trust, the determination of amounts required to be taken into account with respect to such trust by a United States person under the rules of subpart E of part I of subchapter J of chapter 1 shall be determined by the Secretary in the Secretary's sole discretion from the Secretary's own knowledge or from such information as the Secretary may obtain through testimony or otherwise.

''(B) UNITED STATES AGENT REQUIRED.—The rules of this subsection shall apply to any foreign trust to which paragraph (1) applies unless such trust agrees (in such manner, subject to such conditions, and at such time as the Secretary shall prescribe) to authorize a United States person to act as such trust's limited agent solely for purposes of applying sections 7602, 7603, and 7604 with respect to—

''(i) any request by the Secretary to examine records or produce testimony related to the proper treatment of amounts required to be taken into account under the rules referred to in subparagraph (A), or

''(ii) any summons by the Secretary for such records or testimony.

The appearance of persons or production of records by reason of a United States person being such an agent shall not subject such persons or records to legal process for any purpose other than determining the correct treatment under this title of the amounts required to be taken into account under the rules referred to in subparagraph (A). A foreign trust which appoints an agent described in this subparagraph shall not be considered to have an office or a permanent establishment in the United States, or to be engaged in a trade or business in the United States, solely because of the activities of such agent pursuant to this subsection.

''(C) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (2) and (4) of section 6038A(e) shall apply for purposes of this paragraph.

''(c) REPORTING BY UNITED STATES BENEFICIARIES OF FOREIGN TRUSTS.—

''(1) IN GENERAL.—If any United States person receives (directly or indirectly) during any taxable year of such person any distribution from a foreign trust, such person shall make a return with respect to such trust for such year which includes—

''(A) the name of such trust,

''(B) the aggregate amount of the distributions so received from such trust during such taxable year, and

''(C) such other information as the Secretary may prescribe.

''(2) INCLUSION IN INCOME IF RECORDS NOT PROVIDED.—If adequate records are not provided to the Secretary to determine the proper treatment of any distribution from a foreign trust, such distribution shall be treated as an accumulation distribution includible in the gross income of the distributee under chapter 1. To the extent provided in regulations, the preceding sentence shall not apply if the foreign trust elects to be subject to rules similar to the rules of subsection (b)(2)(B).

''(d) SPECIAL RULES.—

''(1) DETERMINATION OF WHETHER UNITED STATES PERSON RECEIVES DISTRIBUTION.—For purposes of this section, in determining whether a United States person receives a distribution from a foreign trust, the fact that a portion of such trust is treated as owned by another person under the rules of subpart E of part I of subchapter J of chapter 1 shall be disregarded.

''(2) DOMESTIC TRUSTS WITH FOREIGN ACTIVITIES.—To the extent provided in regulations, a trust which is a United States person shall be treated as a foreign trust for purposes of this section and section 6677 if such trust has substantial activities, or holds substantial property, outside the United States.

''(3) TIME AND MANNER OF FILING INFORMATION.—Any notice or return required under this section shall be made at such time and in such manner as the Secretary shall prescribe.

''(4) MODIFICATION OF RETURN REQUIREMENTS.—The Secretary is authorized to suspend or modify any requirement of this section if the Secretary determines that the United States has no significant tax interest in obtaining the required information.''

(b) INCREASED PENALTIES.—Section 6677 of such Code (relating to failure to file information returns with respect to certain foreign trusts) is amended to read as follows:

''SEC. 6677. FAILURE TO FILE INFORMATION WITH RESPECT TO CERTAIN FOREIGN TRUSTS.

''(a) CIVIL PENALTY.—In addition to any criminal penalty provided by law, if any notice or return required to be filed by section 6048—

''(1) is not filed on or before the time provided in such section, or

''(2) does not include all the information required pursuant to such section or includes incorrect information,

the person required to file such notice or return shall pay a penalty equal to 35 percent of the gross reportable amount. If any failure described in the preceding sentence continues for more than 90 days after the day on which the Secretary mails notice of such failure to the person required to pay such penalty, such person shall pay a penalty (in addition to the amount determined under the preceding sentence) of $10,000 for each 30-day period (or fraction thereof) during which such failure continues after the expiration of such 90-day period.

''(b) SPECIAL RULES FOR RETURNS UNDER SECTION 6048(b).—In the case of a return required under section 6048(b)—

''(1) the United States person referred to in such section shall be liable for the penalty imposed by subsection (a), and

''(2) subsection (a) shall be applied by substituting '5 percent' for '35 percent'.

''(c) GROSS REPORTABLE AMOUNT.—For purposes of subsection (a), the term 'gross reportable amount' means—

''(1) the gross value of the property involved in the event (determined as of the date of the event) in the case of a failure relating to section 6048(a),

''(2) the gross value of the portion of the trust's assets at the close of the year treated as owned by the United States person in the case of a failure relating to section 6048(b)(1), and

''(3) the gross amount of the distributions in the case of a failure relating to section 6048(c).

''(d) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by this section on any failure which is shown to be due to reasonable cause and not due to willful neglect. The fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the required information is not reasonable cause.

''(e) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subsection (a).''

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 6724(d) of such Code is amended by striking ''or'' at the end of subparagraph (S), by striking the period at the end of subparagraph (T) and inserting '', or'', and by inserting after subparagraph (T) the following new subparagraph:

''(U) section 6048(b)(1)(B) (relating to foreign trust reporting requirements).''

(2) The table of sections for subpart B of part III of subchapter A of chapter 61 is of such Code amended by striking the item relating to section 6048 and inserting the following new item:

''Sec. 6048. Information with respect to certain foreign trusts.''

(3) The table of sections for part I of subchapter B of chapter 68 of such Code is amended by striking the item relating to section 6677 and inserting the following new item:

''Sec. 6677. Failure to file information with respect to certain foreign trusts.''

(d) EFFECTIVE DATES.—

(1) REPORTABLE EVENTS.—To the extent related to subsection (a) of section 6048 of the Internal Revenue Code of 1986, as amended by this section, the amendments made by this section shall apply to reportable events (as defined in such section 6048) occurring after the date of the enactment of this Act.

(2) GRANTOR TRUST REPORTING.—To the extent related to subsection (b) of such section 6048, the amendments made by this section shall apply to taxable years of United States persons beginning after the date of the enactment of this Act.

(3) REPORTING BY UNITED STATES BENEFICIARIES.—To the extent related to subsection (c) of such section 6048, the amendments made by this section shall apply to distributions received after the date of the enactment of this Act.

SEC. 3. MODIFICATIONS OF RULES RELATING TO FOREIGN TRUSTS HAVING ONE OR MORE UNITED STATES BENEFICIARIES.

(a) TREATMENT OF TRUST OBLIGATIONS, ETC.—

(1) Paragraph (2) of section 679(a) of the Internal Revenue Code of 1986 is amended by striking subparagraph (B) and inserting the following:

''(B) TRANSFERS AT FAIR MARKET VALUE.—To any transfer of property to a trust in exchange for consideration of at least the fair market value of the transferred property. For purposes of the preceding sentence, consideration other than cash shall be taken into account at its fair market value.''

(2) Subsection (a) of section 679 of such Code (relating to foreign trusts having one or more United States beneficiaries) is amended by adding at the end the following new paragraph:

''(3) CERTAIN OBLIGATIONS NOT TAKEN INTO ACCOUNT UNDER FAIR MARKET VALUE EXCEPTION.—

''(A) IN GENERAL.—In determining whether paragraph (2)(B) applies to any transfer by a person described in clause (ii) or (iii) of subparagraph (C), there shall not be taken into account—

''(i) any obligation of a person described in subparagraph (C), and

''(ii) to the extent provided in regulations, any obligation which is guaranteed by a person described in subparagraph (C).

''(B) TREATMENT OF PRINCIPAL PAYMENTS ON OBLIGATION.—Principal payments by the trust on any obligation referred to in subparagraph (A) shall be taken into account on and after the date of the payment in determining the portion of the trust attributable to the property transferred.

''(C) PERSONS DESCRIBED.—The persons described in this subparagraph are—

''(i) the trust,

''(ii) any grantor or beneficiary of the trust, and

''(iii) any person who is related (within the meaning of section 643(i)(3)) to any grantor or beneficiary of the trust.''

(b) EXEMPTION OF TRANSFERS TO CHARITABLE TRUSTS.—Subsection (a) of section 679 of such Code is amended by striking ''section 404(a)(4) or 404A'' and inserting ''section 6048(a)(3)(B)(ii)''.

(c) OTHER MODIFICATIONS.—Subsection (a) of section 679 of such Code is amended by adding at the end the following new paragraphs:

''(4) SPECIAL RULES APPLICABLE TO FOREIGN GRANTOR WHO LATER BECOMES A UNITED STATES PERSON.—

''(A) IN GENERAL.—If a nonresident alien individual has a residency starting date within 5 years after directly or indirectly transferring property to a foreign trust, this section and section 6048 shall be applied as if such individual transferred to such trust on the residency starting date an amount equal to the portion of such trust attributable to the property transferred by such individual to such trust in such transfer.

''(B) TREATMENT OF UNDISTRIBUTED INCOME.—For purposes of this section, undistributed net income for periods before such individual's residency starting date shall be taken into account in determining the portion of the trust which is attributable to property transferred by such individual to such trust but shall not otherwise be taken into account.

''(C) RESIDENCY STARTING DATE.—For purposes of this paragraph, an individual's residency starting date is the residency starting date determined under section 7701(b)(2)(A).

''(5) OUTBOUND TRUST MIGRATIONS.—If—

''(A) an individual who is a citizen or resident of the United States transferred property to a trust which was not a foreign trust, and

''(B) such trust becomes a foreign trust while such individual is alive,

then this section and section 6048 shall be applied as if such individual transferred to such trust on the date such trust becomes a foreign trust an amount equal to the portion of such trust attributable to the property previously transferred by such individual to such trust. A rule similar to the rule of paragraph (4)(B) shall apply for purposes of this paragraph.''

(d) MODIFICATIONS RELATING TO WHETHER TRUST HAS UNITED STATES BENEFICIARIES.—Subsection (c) of section 679 of such Code is amended by adding at the end the following new paragraphs:

''(3) CERTAIN UNITED STATES BENEFICIARIES DISREGARDED.—A beneficiary shall not be treated as a United States person in applying this section with respect to any transfer of property to foreign trust if such beneficiary first became a United States person more than 5 years after the date of such transfer.

''(4) TREATMENT OF FORMER UNITED STATES PERSONS.—To the extent provided by the Secretary, for purposes of this subsection, the term 'United States person' includes any person who was a United States person at any time during the existence of the trust.''

(e) TECHNICAL AMENDMENT.—Subparagraph (A) of section 679(c)(2) is amended to read as follows:

''(A) in the case of a foreign corporation, such corporation is a controlled foreign corporation (as defined in section 957(a)),''.

(f) REGULATIONS.—Section 679 is amended by adding at the end the following new subsection:

''(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of property after February 6, 1995.

SEC. 4. FOREIGN PERSONS NOT TO BE TREATED AS OWNERS UNDER GRANTOR TRUST RULES.

(a) GENERAL RULE.—

(1) Subsection (f) of section 672 of the Internal Revenue Code of 1986 (relating to special rule where grantor is foreign person) is amended to read as follows:

''(f) SUBPART NOT TO RESULT IN FOREIGN OWNERSHIP.—

''(1) IN GENERAL.—Notwithstanding any other provision of this subpart, this subpart shall apply only to the extent such application results in an amount being currently taken into account (directly or through 1 or more entities) under this chapter in computing the income of a citizen or resident of the United States or a domestic corporation.

''(2) EXCEPTIONS.—

''(A) CERTAIN REVOCABLE AND IRRECOVABLE TRUSTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), paragraph (1) shall not apply to any trust if—

''(I) the power to revest absolutely in the grantor title to the trust property is exercisable solely by the grantor without the approval or consent of any other person or with the consent of a related or subordinate party who is subservient to the grantor, or

''(II) the only amounts distributable from such trust (whether income or corpus) during the lifetime of the grantor are amounts distributable to the grantor or the spouse of the grantor.

''(ii) EXCEPTION.—Clause (i) shall not apply to any trust which has a beneficiary who is a United States person to the extent such beneficiary has made transfers of property by gift (directly or indirectly) to a foreign person who is the grantor of such trust. For purposes of the preceding sentence, any gift shall not be taken into account to the extent such gift is excluded from taxable gifts under section 2503(b).

''(B) COMPENSATORY TRUSTS.—Except as provided in regulations, paragraph (1) shall not apply to any portion of a trust distributions from which are taxable as compensation for services rendered.

''(3) SPECIAL RULES.—Except as otherwise provided in regulations prescribed by the Secretary—

''(A) a controlled foreign corporation (as defined in section 957) shall be treated as a domestic corporation for purposes of paragraph (1), and

''(B) paragraph (1) shall not apply for purposes of applying part III of subchapter G (relating to foreign personal holding companies) and part VI of subchapter P (relating to treatment of certain passive foreign investment companies).

''(4) RECHARACTERIZATION OF PURPORTED GIFTS.—In the case of any transfer directly or indirectly from a partnership or foreign corporation which the transferee treats as a gift or bequest, the Secretary may recharacterize such transfer in such circumstances as the Secretary determines to be appropriate to prevent the avoidance of the purposes of this subsection.

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations providing that paragraph (1) shall not apply in appropriate cases.''

(2) The last sentence of subsection (c) of section 672 of such Code is amended by inserting ''subsection (f) and'' before ''sections 674''.

(b) CREDIT FOR CERTAIN TAXES.—Paragraph (2) of section 665(d) of such Code is amended by adding at the end the following new sentence: ''Under rules or regulations prescribed by the Secretary, in the case of any foreign trust of which the settlor or another person would be treated as owner of any portion of the trust under subpart E but for section 672(f), the term 'taxes imposed on the trust' includes the allocable amount of any income, war profits, and excess profits taxes imposed by any foreign country or possession of the United States on the settlor or such other person in respect of trust gross income.''

(c) DISTRIBUTIONS BY CERTAIN FOREIGN TRUSTS THROUGH NOMINEES.—

(1) Section 643 of such Code is amended by adding at the end the following new subsection:

''(h) DISTRIBUTIONS BY CERTAIN FOREIGN TRUSTS THROUGH NOMINEES.—For purposes of this part, any amount paid to a United States person which is derived directly or indirectly from a foreign trust of which the payor is not the grantor shall be deemed in the year of payment to have been directly

paid by the foreign trust to such United States person.''

(2) Section 665 of such Code is amended by striking subsection (c).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR CERTAIN TRUSTS.—The amendments made by this section shall not apply to any trust—

(A) which is treated as owned by the grantor or another person under section 676 or 677 (other than subsection (a)(3) thereof) of the Internal Revenue Code of 1986, and

(B) which is in existence on September 19, 1995.

The preceding sentence shall not apply to the portion of any such trust attributable to any transfer to such trust after September 19, 1995.

(e) TRANSITIONAL RULE.—If—

(1) by reason of the amendments made by this section, any person other than a United States person ceases to be treated as the owner of a portion of a domestic trust, and

(2) before January 1, 1997, such trust becomes a foreign trust, or the assets of such trust are transferred to a foreign trust,

no tax shall be imposed by section 1491 of the Internal Revenue Code of 1986 by reason of such trust becoming a foreign trust or the assets of such trust being transferred to a foreign trust.

SEC. 5. INFORMATION REPORTING REGARDING FOREIGN GIFTS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6039E the following new section:

''SEC. 6039F. NOTICE OF GIFTS RECEIVED FROM FOREIGN PERSONS.

''(a) IN GENERAL.—If the value of the aggregate foreign gifts received by a United States person (other than an organization described in section 501(c) and exempt from tax under section 501(a)) during any taxable year exceeds $10,000, such United States person shall furnish (at such time and in such manner as the Secretary shall prescribe) such information as the Secretary may prescribe regarding each foreign gift received during such year.

''(b) FOREIGN GIFT.—For purposes of this section, the term 'foreign gift' means any amount received from a person other than a United States person which the recipient treats as a gift or bequest. Such term shall not include any qualified transfer (within the meaning of section 2503(e)(2)).

''(c) PENALTY FOR FAILURE TO FILE INFORMATION.—

''(1) IN GENERAL.—If a United States person fails to furnish the information required by subsection (a) with respect to any foreign gift within the time prescribed therefor (including extensions)—

''(A) the tax consequences of the receipt of such gift shall be determined by the Secretary in the Secretary's sole discretion from the Secretary's own knowledge or from such information as the Secretary may obtain through testimony or otherwise, and

''(B) such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 5 percent of the amount of such foreign gift for each month for which the failure continues (not to exceed 25 percent of such amount in the aggregate).

''(2) REASONABLE CAUSE EXCEPTION.— Paragraph (1) shall not apply to any failure to report a foreign gift if the United States person shows that the failure is due to reasonable cause and not due to willful neglect.

''(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the item relating to section 6039E the following new item:

''Sec. 6039F. Notice of large gifts received from foreign persons.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act in taxable years ending after such date.

SEC. 6. MODIFICATION OF RULES RELATING TO FOREIGN TRUSTS WHICH ARE NOT GRANTOR TRUSTS.

(a) MODIFICATION OF INTEREST CHARGE ON ACCUMULATION DISTRIBUTIONS.—Subsection (a) of section 668 of the Internal Revenue Code of 1986 (relating to interest charge on accumulation distributions from foreign trusts) is amended to read as follows:

''(a) GENERAL RULE.—For purposes of the tax determined under section 667(a)—

''(1) INTEREST DETERMINED USING UNDERPAYMENT RATES.—The interest charge determined under this section with respect to any distribution is the amount of interest which would be determined on the partial tax computed under section 667(b) for the period described in paragraph (2) using the rates and the method under section 6621 applicable to underpayments of tax.

''(2) PERIOD.—For purposes of paragraph (1), the period described in this paragraph is the period which begins on the date which is the applicable number of years before the date of the distribution and which ends on the date of the distribution.

''(3) APPLICABLE NUMBER OF YEARS.—For purposes of paragraph (2)—

''(A) IN GENERAL.—The applicable number of years with respect to a distribution is the number determined by dividing—

''(i) the sum of the products described in subparagraph (B) with respect to each undistributed income year, by

''(ii) the aggregate undistributed net income.

The quotient determined under the preceding sentence shall be rounded under procedures prescribed by the Secretary.

''(B) PRODUCT DESCRIBED.—For purposes of subparagraph (A), the product described in this subparagraph with respect to any undistributed income year is the product of—

''(i) the undistributed net income for such year, and

''(ii) the sum of the number of taxable years between such year and the taxable year of the distribution (counting in each case the undistributed income year but not counting the taxable year of the distribution).

''(4) UNDISTRIBUTED INCOME YEAR.—For purposes of this subsection, the term 'undistributed income year' means any prior taxable year of the trust for which there is undistributed net income, other than a taxable year during all of which the beneficiary receiving the distribution was not a citizen or resident of the United States.

''(5) DETERMINATION OF UNDISTRIBUTED NET INCOME.—Notwithstanding section 666, for purposes of this subsection, an accumulation distribution from the trust shall be treated as reducing proportionately the undistributed net income for prior taxable years.

''(6) PERIODS BEFORE 1996.—Interest for the portion of the period described in paragraph (2) which occurs before January 1, 1996, shall be determined—

''(A) by using an interest rate of 6 percent, and

''(B) without compounding until January 1, 1996.''

(b) ABUSIVE TRANSACTIONS.—Section 643(a) of such Code is amended by inserting after paragraph (6) the following new paragraph:

''(7) ABUSIVE TRANSACTIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations to prevent avoidance of such purposes.''

(c) TREATMENT OF USE OF TRUST PROPERTY.—

(1) IN GENERAL.—Section 643 of such Code (relating to definitions applicable to subparts A, B, C, and D) is amended by adding at the end the following new subsection:

''(i) USE OF FOREIGN TRUST PROPERTY.—For purposes of subparts B, C, and D—

''(1) GENERAL RULE.—If a foreign trust makes a loan of cash or marketable securities directly or indirectly to—

''(A) any grantor or beneficiary of such trust who is a United States person, or

''(B) any United States person not described in subparagraph (A) who is related to such grantor or beneficiary,

the amount of such loan shall be treated as a distribution by such trust to such grantor or beneficiary (as the case may be).

''(2) USE OF OTHER PROPERTY.—Except as provided in regulations prescribed by the Secretary, any direct or indirect use of trust property (other than cash or marketable securities) by a person referred to in subparagraph (A) or (B) of paragraph (1) shall be treated as a distribution to the grantor or beneficiary (as the case may be) equal to the fair market value of the use of such property. The Secretary may prescribe regulations treating a loan guarantee by the trust as a use of trust property equal to the value of the guarantee.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) CASH.—The term 'cash' includes foreign currencies and cash equivalents.

''(B) RELATED PERSON.—

''(i) IN GENERAL.—A person is related to another person if the relationship between such persons would result in a disallowance of losses under section 267 or 707(b). In applying section 267 for purposes of the preceding sentence, section 267(c)(4) shall be applied as if the family of an individual includes the spouses of the members of the family.

''(ii) ALLOCATION OF USE.—If any person described in paragraph (1)(B) is related to more than one person, the grantor or beneficiary to whom the treatment under this subsection applies shall be determined under regulations prescribed by the Secretary.

''(C) EXCLUSION OF TAX-EXEMPTS.—The term 'United States person' does not include any entity exempt from tax under this chapter.

''(D) TRUST NOT TREATED AS SIMPLE TRUST.—Any trust which is treated under this subsection as making a distribution shall be treated as not described in section 651.

''(4) SUBSEQUENT TRANSACTIONS REGARDING LOAN PRINCIPAL.—If any loan is taken into account under paragraph (1), any subsequent transaction between the trust and the original borrower regarding the principal of the loan (by way of complete or partial repayment, satisfaction, cancellation, discharge, or otherwise) shall be disregarded for purposes of this title.''

(2) TECHNICAL AMENDMENT.—Paragraph (8) of section 7872(f) is amended by inserting '', 643(i),'' before ''or 1274'' each place it appears.

(d) EFFECTIVE DATES.—

(1) INTEREST CHARGE.—The amendment made by subsection (a) shall apply to distributions after the date of the enactment of this Act.

(2) ABUSIVE TRANSACTIONS.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

(3) USE OF TRUST PROPERTY.—The amendment made by subsection (c) shall apply to—

(A) loans of cash or marketable securities after September 19, 1995, and

(B) uses of other trust property after December 31, 1995.

SEC. 7. RESIDENCE OF ESTATES AND TRUSTS, ETC.

(a) TREATMENT AS UNITED STATES PERSON.—

(1) IN GENERAL.—Paragraph (30) of section 7701(a) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D) and by inserting after subparagraph (C) the following:

''(D) any estate or trust if—

''(i) a court within the United States is able to exercise primary supervision over the administration of the estate or trust, and

''(ii) in the case of a trust, one or more United States fiduciaries have the authority to control all substantial decisions of the trust.''

(2) CONFORMING AMENDMENT.—Paragraph (31) of section 7701(a) of such Code is amended to read as follows:

''(31) FOREIGN ESTATE OR TRUST.—The term 'foreign estate' or 'foreign trust' means any estate or trust other than an estate or trust described in section 7701(a)(30)(D).''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply—

(A) to taxable years beginning after December 31, 1996, or

(B) at the election of the trustee of a trust, to taxable years ending after the date of the enactment of this Act.

Such an election, once made, shall be irrevocable.

(b) DOMESTIC TRUSTS WHICH BECOME FOREIGN TRUSTS.—

(1) IN GENERAL.—Section 1491 of such Code (relating to imposition of tax on transfers to avoid income tax) is amended by adding at the end the following new flush sentence:

''If a trust which is not a foreign trust becomes a foreign trust, such trust shall be treated for purposes of this section as having transferred, immediately before becoming a foreign trust, all of its assets to a foreign trust.''

(2) PENALTY.—Section 1494 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(c) PENALTY.—In the case of any failure to file a return required by the Secretary with respect to any transfer described in section 1491, the person required to file such return shall be liable for the penalties provided in section 6677 in the same manner as if such failure were a failure to file a return under section 6048(a).''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

SUMMARY OF FOREIGN TRUST PROPOSALS

I. INFORMATION REPORTING

A. Transferors to Foreign Trusts

Current Law. U.S. persons are required to report transfers of money or property to a foreign trust. Any person who fails to file the required information is subject to a penalty of 5 percent of the amount transferred to the foreign trust, up to a maximum of $1,000. A reasonable cause exception is available.

Reasons for Change. Existing penalties have not proven adequate to encourage some U.S. taxpayers to report transfers to foreign trusts. Information reporting of transfers to such trusts is necessary to identify transactions subject to existing excise taxes and to identify foreign trusts that must be monitored in the future.

Proposal. The proposal would increase the penalty for failure to report a transfer to a foreign trust. The new penalty would be 35 percent of the gross value of the property transferred. In addition, monetary penalties could be imposed for continuing noncompliance with IRS requests for information. The reasonable cause exception is retained. The proposal would be effective for transfers occurring after the date of enactment.

Differences from the Administration Proposal. The current proposal is similar to the Administration proposal.

B. U.S. Grantors of Foreign Trusts

Current Law. A U.S. grantor of a foreign trust is required to provide an annual accounting of trust activities to the IRS. Any person who fails to file the required information is subject to a penalty of 5 percent of the value of the corpus of the trust, up to a maximum of $1,000. A reasonable cause exception is available.

Reasons for Change. Existing information reporting rules predate the significant expansion of the foreign grantor trust rules in 1976. In general, penalties for noncompliance with reporting requirements are minimal. As a result, U.S. grantors of foreign trusts often do not report the income earned by foreign trusts. Because these foreign trusts are frequently established in tax haven jurisdictions with stringent secrecy rules, IRS attempts to verify income earned by foreign trusts are often unsuccessful. A regime which allows the IRS access to information held by the foreign trust is necessary to enforce existing law.

Proposal. The proposal would require a U.S. grantor of a foreign trust to cause the trust to (1) appoint a U.S. agent that can provide relevant information to the IRS; and (2) provide an annual accounting of trust activities, including separate schedules (K–1s) for income attributable to the U.S. grantor. If the foreign trust does not appoint a U.S. agent, the IRS would be authorized to determine, in its discretion, the tax consequences of any trust transactions. The proposal would retain the existing penalty for failure to file of 5 percent of the value of the trust corpus, except that the penalty would no longer be limited to $1,000. In addition, monetary penalties could be imposed for continuing noncompliance with IRS requests for information. The reasonable cause exception is retained. The proposal would be effective for taxable years of the U.S. grantor beginning after the date of enactment.

Differences from the Administration Proposal. The Administration proposal would have allowed the IRS to redetermine tax consequences if the trust did not appoint a U.S. agent or if the trust did not file the required information. The current proposal modifies the Administration proposal by limiting the special IRS redetermination rule to instances where the trust does not appoint a U.S. agent. The Administration proposal would have imposed a monetary penalty of 35 percent of trust income if either the agent were not appointed or the information were not provided. The current proposal modifies this penalty to 5 percent of trust assets, and only imposes the penalty if the required information is not reported.

C. Beneficiaries of Foreign Trusts

Current Law. U.S. persons receiving distributions from foreign nongrantor trusts are required to report them on their U.S. income tax return. If distributions are not reported, the U.S. person could be subject to general tax penalties for failure to report taxable income. A reasonable cause exception is available. U.S. persons receiving distributions from a foreign grantor trust are not required to report them to the IRS.

Reasons for Change. Existing penalties have not proven adequate to encourage some U.S. taxpayers to report distributions from foreign nongrantor trusts. In addition, requiring reporting of distributions from foreign grantor trusts will allow the IRS to verify that the foreign trust is a grantor trust.

Proposal. The proposal would require a U.S. person receiving money or property from a foreign trust, whether a grantor trust or a nongrantor trust, to disclose the distribution on the individual's Federal income tax return. If a beneficiary does not disclose distributions or does not have sufficient records to substantiate the tax treatment of the distributions, then the distributions will be considered distributions of accumulated income from the trust's average year (the years the trust has been in existence divided by two). If the beneficiary does not disclose distributions or provides inaccurate information, a penalty equal to 35 percent of the trust distributions would be imposed upon the beneficiary. In addition, monetary penalties could be imposed for continuing noncompliance with IRS requests for information. The reasonable cause exception is retained. It is intended that the IRS respect the privacy of foreign taxpayers to the extent consistent with the interests of tax administration. This proposal would be effective with respect to distributions received after the date of enactment.

Differences from the Administration Proposal. The Administration proposal placed the responsibility of reporting trust distributions on the trust. The current proposal places that responsibility on the beneficiary.

II. OUTBOUND FOREIGN GRANTOR TRUSTS

Under current law, a special rule applicable to foreign trusts established by a U.S. person for the benefit of U.S. persons provides that such trusts are generally ''grantor trusts'', and the U.S. transferor is treated as the owner of property transferred to the trust. The proposal revises certain exceptions to this foreign grantor trust rule.

A. Sales to Foreign Trusts

Current Law. Sales of property to a foreign trust at fair market value are not transfers that are subject to the foreign grantor trust rule.

Reasons for Change. U.S. persons who transfer property to foreign trusts sometimes attempt to inappropriately avoid the foreign grantor trust rule by selling property to a foreign trust in exchange for a note from the trust which the U.S. transferor may not intend to collect. (If there is no bona fide debt, these transactions are subject to challenge under current law, because the exchange would not be at fair market value.)

Proposal. The proposal disregards any obligation issued or guaranteed by the trust to any related person in determining whether a sale to a foreign trust is for fair market value. This proposal would be effective for assets transferred to foreign trusts after February 6, 1995.

Differences from the Administration Proposal. The Administration proposal would have disregarded any trust obligation issued or guaranteed by the trust to any U.S. person. The current proposal only applies this rule to trust obligations issued to related persons.

B. Pre-immigration Trust

Current Law. The foreign grantor trust rule does not apply to a foreign settlor who transfers property to a foreign trust for the benefit of U.S. persons even if the settlor later becomes a U.S. person.

Reasons for Change. Prior to becoming residents of the United States, foreign persons often put their assets into irrevocable trusts in tax haven jurisdictions for the benefit of U.S. persons. As a result, the future trust income escapes U.S. tax until distribution. Thus, under current law, U.S. persons

who have immigrated to the United States are able to avoid current taxation of trust income in ways that are not available to other U.S. persons.

Proposal. If a foreign person transfers property to a foreign trust with U.S. beneficiaries and the foreign person then becomes a U.S. person within five years of the transfer, the transferor would be treated as the owner of the trust assets when he becomes a U.S. person. This proposal would be effective for assets transferred to foreign trusts after February 6, 1995.

Differences from the Administration Proposal. The current proposal is similar to the Administration proposal.

C. Outbound Trust Migrations

Current Law. Although Revenue Ruling 91–6, 1991–1 C.B. 89, describes the rules that must be applied when a foreign trust becomes a domestic trust, current rules do not clearly describe the tax consequences of a domestic trust becoming a foreign trust.

Reasons for Change. Outbound trust migrations are becoming more common as tax haven jurisdictions enact legislation to enable U.S. trusts to move to those jurisdictions. Rules should be clarified to ensure that taxpayers will not be able to achieve tax results through the outbound migration of a domestic trust that they could not achieve directly by the creation of a foreign trust.

Proposal. If a domestic trust becomes a foreign trust during the life of a U.S. person who transferred assets to the domestic trust, the U.S. transferor will be considered the grantor of the foreign trust. This proposal would generally be effective for trust migrations after February 6, 1995.

Differences from the Administration Proposal. Under the Administration proposal, unless outbound trust migrations were part of a prearranged plan, beneficiaries of the migrating trust would be considered the grantors of the trust. Under the current proposal, if a U.S. person who transferred assets to a migrating trust is alive, that person is considered the grantor of the trust. If the transferor is not alive, a migrating trust is subject to the section 1491 excise tax (described below).

D. Other Provisions

Transfers at Death. The Administration proposal would have treated U.S. beneficiaries as grantors of foreign trusts which were funded at the death of a U.S. person. The current proposal does not include these provisions.

Discretionary Beneficiaries. Because of changes to the treatment of transfers at death and trust migrations, the provisions in the Administration proposal relating to the determination of a beneficiary's proportionate interests in trusts are no longer necessary. The current proposal does not include these provisions.

III. INBOUND FOREIGN GRANTOR TRUSTS

Current Law. A person with certain powers over the trust assets (the ''grantor'') is taxed as if he owned the trust assets directly. This treatment is designed to prevent attempts to shift income from U.S. grantors to U.S. beneficiaries who are likely to be paying taxes at lower rates than the grantor of the trust. Consequently, under existing anti-abuse grantor trust rules, the grantor of such a trust is taxed as if he owned the trust assets directly, even if he retains only minimal economic connections with the trust assets.

Revenue Ruling 69–70, 1969–1 C.B. 182, provides that if a foreign person is treated as the owner of a trust, a U.S. beneficiary of that trust is not taxable on trust income distributed to him.

However, special rules in the Code modify the general grantor trust rules where a U.S. beneficiary has made prior gifts to a foreign grantor. In such a case, the U.S. beneficiary is treated as the owner of the foreign trust assets to the extent of the U.S. beneficiary's prior gifts to the foreign grantor. The rule is designed to prevent wealthy U.S. persons who have immigrated to the United States from avoiding U.S. tax on their worldwide income. Prior to the enactment of this rule, before moving to the United States some immigrants transferred their assets to a foreign relative, who then retransferred those assets to a foreign trust for the benefit of the immigrant. Because the foreign relative retained limited powers over the trust, the immigrant treated the foreign relative as the owner of the trust assets, and did not pay U.S. tax on trust distributions.

Reasons for Change. Existing law inappropriately permits foreign taxpayers to affirmatively use the domestic anti-abuse grantor trust rules. Existing restrictions on the ability of foreign taxpayers to use these rules are not adequate to prevent U.S. beneficiaries, who enjoy the benefits of United States citizenship or residency, from avoiding U.S. tax on their income from trusts.

Proposal. The grantor trust rules generally will only apply to a trust if those rules would result in an amount being included (directly or indirectly) in the gross income of a U.S. citizen, domestic corporation, or a controlled foreign corporation. The grantor trust rules would continue to apply to trusts revocable by the grantor of the trust, to certain compensatory trusts, and for purposes of applying the foreign personal holding company rules and the passive foreign investment company rules. It is intended that no inference regarding the interpretation of present law be drawn from the exclusion of certain trusts, including compensatory trusts, from the application of the special rules of the proposal. These rules are not intended to apply to normal security arrangements involving a trustee (including the use of indenture trustees and similar arrangements). The proposal retains current rules regarding the treatment of U.S. immigrants who made prior gifts to a foreign grantor.

New rules would harmonize the treatment of purported gifts by corporations and partnerships with the new foreign grantor trust rules. In addition, U.S. persons would be required to report the receipt of what they claim to be large gifts from foreign persons in order to allow the IRS to verify that such purported gifts are not in fact, disguised income to the U.S. recipients.

If a foreign trust that is a grantor trust under current law becomes a nongrantor trust pursuant to this rule, the trust would be treated as if it were resettled on the date the trust becomes a nongrantor trust. Neither the grantor nor the trust would recognize gain or loss. The section 1491 excise tax would not be applied to such a trust if the trust migrates before December 31, 1996. Under special transition rules, these rules would not apply to certain foreign trusts where the foreign grantor retains substantial powers over the trust assets, if those trusts were funded prior to September 19, 1995. Otherwise, this proposal would be effective on the date of enactment.

Differences from the Administration Proposal. The current proposal modifies the Administration proposal by providing exceptions for revocable trusts, controlled foreign corporations, and compensatory trusts. The Administration proposal did not contain the special transition rules described above.

IV. FOREIGN NONGRANTOR TRUSTS

A. Accumulation Distributions

Current law. U.S. beneficiaries of foreign trusts are subject to a nondeductible interest charge on distributions of accumulated income earned by the trust in earlier taxable years. The charge is based on the length of time during which the tax was deferred because the accumulated income was not distributed. Under existing law, the interest charge is equal to 6 percent simple interest per year multiplied by the tax imposed on the distribution. Accumulated income is deemed to be distributed on a first-in, first-out basis. If adequate records are not available to determine the portion of a distribution that is accumulated income, the distribution is deemed to be an accumulation distribution from the year that the trust was organized.

Reasons for Change. Current rules need to be revised to eliminate U.S. tax incentives for accumulating income in foreign trusts. Practitioners sometimes advise U.S. persons to accumulate income trust because U.S. tax rules impose interest at such a low rate (6 percent simple interest). Thus, interest paid by U.S. beneficiaries of foreign trusts should be modified to reflect market rates of interest.

However, current rules also need to be liberalized to tax more appropriately distributions of accumulated income from foreign trusts. Currently, a U.S. beneficiary pays an interest charge on any distribution of accumulated trust income as if the oldest trust earnings were distributed first. The interest charge on such a distribution may be so high as to discourage the U.S. beneficiary from receiving any distributions from the trust. In addition, current rules effectively require U.S. beneficiaries to obtain extensive information about the foreign trust or, if information is not obtained, pay a substantial interest charge based on the assumption that all trust distributions were made from the year that the trust was organized.

Proposal. For periods of accumulation after December 31, 1995, the rate of interest charged on accumulation distributions would correspond with the interest rate that taxpayers pay on underpayments of tax.

Distributions of accumulated trust income would be deemed to come from a weighted average of the trust's accumulated income. This calculation should be simpler than current law because existing provisions require the taxpayer to maintain separate pools of accumulated income for each year of the trust. Under this weighted average method, the taxpayer would only need to maintain a single pool of undistributed income.

If information is not available regarding trust distributions, distributions would generally be deemed to be from income accumulated in the average year of the trust (the years the trust has been in existence divided by two). If a taxpayer is not able to demonstrate when the trust was created, the IRS may use an approximation based on available evidence.

Taxpayers have used a variety of methods (e.g., tiered trusts, divisions of trusts, mergers of trusts, and similar transactions with corporations) to convert a distribution of accumulated income into a distribution of current income or corpus. The proposal would authorize the IRS to recharacterize such transactions. Transactions that may be entered into to avoid the interest charge on accumulation distributions (e.g., excessive ''compensation'' paid to trust beneficiaries who are directors of corporations owned by the foreign trust) may be subject to recharacterization.

The proposal also clarifies existing law by providing that if an alien beneficiary of a foreign trust becomes a U.S. resident and thereafter receives an accumulation distribution, no interest would be charged during periods of accumulation that predate U.S. residency. The proposal would generally

be effective for distributions after the date of enactment.

Differences from the Administration Proposal. The current proposal is similar to the Administration proposal liberalizes current law by imposing the interest charge based on the weighted average life of the trust's accumulated income instead of the trust's oldest undistributed income. The current proposal also makes a corresponding change to the treatment of trust distributions when information about the trust is not available.

B. Constructive Distributions

Current law. The tax consequences of the use of trust assets by beneficiaries is ambiguous under present law. Taxpayers may assert that a benefidiary's use of assets owned by a trust does not constitute a distribution to the beneficiary.

Reasons for Change. If a corporation makes corporate assets available for a shareholder's personal use (e.g., a corporate apartment made available rent-free to a shareholder), the fair market value of the use of that property is treated as a constructive distribution. Further, if a controlled foreign corporation makes a loan to a U.S. person, the loan is treated as a deemed distribution by the foreign corporation to its U.S. shareholders. The use of nongrantor foreign trust assets by trust beneficiaries should give rise to tax consequences that are similar to those associated with the use of corporate assets by corporate shareholders.

Proposal. If a U.S. beneficiary (or a U.S. related person) uses assets of a nongrantor foreign trust, the value of that use would be treated as income to the foreign trust which is deemed distributed to the U.S. beneficiary. Thus, if a nongrantor foreign trust made a residence available for use by a U.S. beneficiary, the difference between the fair rental value of the residence and any rent actually paid would be treated as a constructive distribution to that beneficiary. If a nongrantor foreign trust purported to loan cash or marketable securities to a U.S. beneficiary, the loan proceeds would be treated as a constructive distribution by the foreign trust to the U.S. beneficiary. For this purpose, an organization exempt from U.S. tax would not be considered a U.S. person. It is intended that no inference be drawn from the proposal as to the treatment under present law of the use of trust assetss by beneficiaries and others. The provisions would be effective for loans of cash or marketable securities after September 19, 1995, and uses of other trust property after December 31, 1995.

Difference from the Administration Proposal. The current proposal is similar to the Administration proposal.

V. RESIDENCE OF TRUSTS

A. Definition

Current Law. Under current law, a ''foreign estate or trust'' is an estate or trust the ''income of which, from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States, is not includible in gross income under subtitle A'' of the Internal Revenue Code. Section 7701(a)(31). This definition does not provide criteria for determining when an estate or trust is foreign.

Court cases and rulings indicate that the residence of an estate or trust depends on various factors, such as the location of the assets, the country under whose laws the estate or trust is created, the residence of the trustee, the nationality of the decedent or settlor, the nationality of the beneficiaries, and the location of the administration of the trust. *See e.g., B.W. Jones Trust* v. *Comm'r,* 46 B.T.A. 531 (1942), *aff'd*, 132 F.2d 914 (4th Cir. 19543).

Reasons for Change. Present rules provide insufficient guidance for determining the residence of estates and trusts. In addition, the increasing mobility of people and capital make certain factors (e.g., nationality of the settlor or beneficiaries, situs of assets) less relevant. Because the tax treatment of an estate, trust, settlor or beneficiary may depend on whether the estate or trust is foreign or domestic, it is important to have an objective definition of the residence of an estate or trust. Fewer factors for determining the residence of estates or trusts would increase the flexibility of grantors and trust administrators to decide where to locate the trust and in what assets to invest. For example, if the location of the administration of the trust were no longer a relevant criterion, grantors of foreign trusts would be able to choose whether to administer the trusts in the United States or abroad based on nontax considerations.

Proposal. An estate or trust would be considered to be a domestic estate or trust if two factors are present: (1) a court within the United States is able to exercise primary supervision over the administration of the estate or trust; and (2) a U.S. fiduciary (alone or in concert with other U.S. fiduciaries) has the authority to control decisions of the estate or trust.

The first factor is intended to refer to the court with authority over the entire estate or trust, and not merely jurisdiction over certain assets or a particular beneficiary. Normally, the first factor would be satisfied if the trust instrument is governed by the laws of a U.S. State. One way to satisfy this factor is to register the estate or trust in a State pursuant to a State law which is substantially similar to Article VII of the Uniform Probate Code as published by the American Law Institute. The second factor would normally be satisfied if a majority of the fiduciaries are U.S. persons and a foreign fiduciary (including a ''protector'' or similar trust advisor) may not veto important decisions of the U.S. fiduciaries. In applying this factor, the IRS would allow an estate or trust a reasonable period of time to adjust for inadvertent changes in fiduciaries (e.g., a U.S. trustee dies or abruptly resigns where a trust has two U.S. fiduciaries and one foreign fiduciary).

The new rules defining domestic estates and trusts would be effective for taxable years of an estate or trust that begin after December 31, 1996. The delayed effective date is intended to allow an estate or trust a period of time to conform its governing instrument or to change fiduciaries so that the estate or trust may effectively elect to be treated as domestic or foreign. However, trustees will be allowed to elect to apply these rules for taxable years ending after the date of enactment.

Differences from the Administration Proposal. The current proposal is similar to the Administration proposal.

B. OUTBOUND TRUST MIGRATION

Current Law. Under current law, a 35 percent excise tax is imposed upon any appreciation in property that is transferred by a U.S. person to a nongrantor foreign trust. A taxpayer can avoid the excise tax by electing to pay income tax on any appreciation in the transferred property. No excise tax is imposed on transfers to foreign grantor trusts. Current law is not clear as to whether the excise tax applies when a nongrantor domestic trust changes its residence to become a nongrantor foreign trust.

Reasons for Change. The excise tax is designed to prevent U.S. persons from transferring assets to a nongrantor foreign trust without paying U.S. tax on the appreciation in those assets. Taxpayers should not be able to achieve tax results through migration of a domestic trust that they could not achieve directly by the creation of a foreign trust.

Proposal. The proposal would treat a nongrantor domestic trust that becomes a nongrantor foreign trust as having transferred, immediately before becoming a nongrantor foreign trust, all of its assets to a foreign trust. The section 1491 excise tax would apply to this transfer. Penalties would be imposed for failure to report any transaction subject to the excise tax. The provisions would be effective on the date of enactment.

Differences from the Administration Proposal. Under the Administration proposal, outbound migrations of trust with U.S. beneficiaries would generally have been subject to the foreign grantor trust rule, and the migrations would therefore not have been subject to the excise tax. Because the current proposal limits the application of the foreign grantor trust rule to certain outbound trust migrations, the current proposal applies the excise tax to outbound trust migrations that result in a nongrantor foreign trust.

ADDITIONAL COSPONSORS

S. 141

At the request of Mrs. KASSEBAUM, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 141, a bill to repeal the Davis-Bacon Act of 1931 to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, and for other purposes.

S. 358

At the request of Mr. HEFLIN, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 358, a bill to amend the Internal Revenue Code of 1986 to provide for an excise tax exemption for certain emergency medical transportation by air ambulance.

S. 381

At the request of Mr. HELMS, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 381, a bill to strengthen international sanctions against the Castro government in Cuba, to develop a plan to support a transition government leading to a democratically elected government in Cuba, and for other purposes.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 545

At the request of Mr. BUMPERS, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 545, a bill to authorize collection of certain State and local taxes with respect to the sale, delivery, and use of tangible personal property.

S. 773

At the request of Mrs. KASSEBAUM, the names of the Senator from Virginia

[Mr. WARNER], the Senator from Kentucky [Mr. FORD], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Virginia [Mr. ROBB], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 773, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for improvements in the process of approving and using animal drugs, and for other purposes.

S. 881

At the request of Mr. PRYOR, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 959

At the request of Mr. HATCH, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 1181

At the request of Mr. STEVENS, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of S. 1181, a bill to provide cost savings in the medicare program through cost-effective coverage of positron emission tomography (PET).

S. 1245

At the request of Mr. ASHCROFT, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1245, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to identify violent and hardcore juvenile offenders and treat them as adults, and for other purposes.

SENATE RESOLUTION 173—TO PROCLAIM NATIONAL DOG WEEK

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 173

Whereas, dogs play an integral role in our lives, communities and nation, in good and bad times; and their present and future well-being in society requires education about responsible dog ownership;

Whereas, many assistance dogs provide valuable service as seeing eye dogs; hearing dogs; disabled assistance dogs; drug, bomb and arson detection dogs; and for tracking and locating missing persons and fugitives;

Whereas, as the public good is advanced when we foster the ideas of canine good citizens by promoting the positive interaction between dogs and society;

Whereas, raising a canine good citizen, is first and foremost, an obligation of the owner;

Whereas, dog owners must make conscientious efforts to develop the essential traits and characteristics that comprise responsible dog ownership;

Whereas, the decision to become a dog owner is an emotional and monetary long-term commitment which carries a tremendous responsibility;

Whereas, dog owners bear a special responsibility to their canine companions to provide proper care and humane treatment at all times;

Whereas, this proper care and treatment includes an adequate and nutritious diet, clean water, clean and comfortable living conditions, regular veterinary care, kind and responsive human companionship and training in appropriate behavior;

Whereas, dog ownership requires honesty about an owner's readiness and ability to be responsible for their canine companion;

Whereas, this requires personal questioning about one's time commitments, desire for a dog and family situations;

Whereas, the next component of choosing a canine companion involves educating oneself about obtaining a dog or puppy from a responsible source;

Whereas, a responsible source will provide a prospective dog owner with appropriate information about the breed of dog, training, feeding and care;

Whereas, the Senate encourages people to be responsible dog owners and encourages people to recognize the positive ramifications on society of promoting Canine Good Citizens.

Whereas, the Senate encourages people to recognize the contributions that our canine companions make to all of us throughout the year;

Now therefore be it

Resolved, That the Senate proclaims the week of September 24–30, as National Dog Week.

• Mr. D'AMATO. Mr. President, I submit a resolution commemorating September 24 through September 30, 1995, as National Dog Week. Dogs have always been a source of comfort and companionship to men, women and children of all ages. They play an important role in the lives of many and provide valuable services such as seeing eye dogs, drug detection dogs and dogs that locate missing persons. Dog ownership requires a serious commitment by the owner, but the rewards are great. I urge my colleagues to support this resolution.•

SENATE RESOLUTION 174—RELATIVE TO VIETNAM

Mr. GRAMS (for himself, Mr. DOLE, Mr. HELMS, and Mr. THOMAS) submitted the following resolution; which was considered and agreed to:

S. RES. 174

Whereas there are many outstanding issues between the United States and Vietnam including a full accounting of MIAs/POWs; pursuant of democratic freedoms in Vietnam, including freedom of expression and association; and resolution of human rights violations;

Whereas the Government of Vietnam continues to imprison political and religious leaders to suppress the nonviolent pursuit of freedom and human rights;

Whereas the Government of Vietnam has not honored its commitments under the Universal Declaration of Human Rights and the International Covenant of Civil and Political Rights;

Whereas two American citizens, Mr. Nguyen Tan Tri and Mr. Tran Quang Liem, are among those recently sentenced to prison terms of 7 and 4 years, respectively, for their efforts to organize a conference, after 2 years of detention without charge; and

Whereas these two Americans are in poor health and are not receiving proper treatment: Now, therefore, be it

Resolved, That the Senate hereby—

(1) urges the Secretary of State to pursue the release of the American prisoners as well as all political and religious prisoners in Vietnam as a matter of the highest priority;

(2) requests that the Secretary of State submit regular reports to the Committee on Foreign Relations of the Senate regarding the status of the imprisonment and wellbeing of the two American prisoners; and

(3) requests that the President meet with relatives of the two Americans at his earliest convenience.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State.

AMENDMENTS SUBMITTED

THE WORK OPPORTUNITY ACT OF 1995

DOLE AMENDMENT NO. 2692

Mr. DOMENICI (for Mr. DOLE) proposed an amendment to the amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

On page 12, between lines 22 and 23, in the matter inserted by amendment No. 2486 as modified—

(1) in subparagraph (G), strike ''3 years'' and insert ''2 years''; and

(2) in subparagraph (G), strike ''6 months'' and insert ''3 months''.

On page 69, line 18, in the matter inserted by amendment No. 2479, as modified—

(1) in section 413(a), strike ''country'' and insert ''county''; and

(2) in section 413(b)(5), strike ''eligible countries are defined as:'' and insert ''ELIGIBLE COUNTY.—A county may participate in a demonstration project under this subsection if the county is—''.

On page 50, line 6, in the matter inserted by amendment No. 2528—

(1) in subsection (d)(3)(A), strike ''1998'' and insert ''1996'';

(2) in subsection (d)(3)(C), strike ''1998, 1999, and 2000'' and insert ''1996, 1997, 1998, 1999, 2000, 2001, and 2002''; and

(3) in subsection (d)(3)(C), strike ''as may be necessary'' and insert ''specified in subparagraph (B)(ii)''.

On page 77, between lines 21 and 22, insert the following new section:

''SEC. 420. ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Notwithstanding section 658T of the Child Care and Development Block Grant Act of 1990, the State agency specified in section 402(a)(6) shall determine eligibility for child

care assistance provided under this part in accordance with criteria determined by the State.''.

On page 303, line 15, add ''and'' after the semicolon.

On page 304, line 22, strike ''and'' after the semicolon.

On page 305, line 16, insert '', not including direct service costs,'' after ''administrative costs''.

On page 305, line 18, strike the second period and insert ''; and''.

On page 305, between lines 18 and 19, insert the following:

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

'' '(6) SERVICES FOR THE WORKING POOR.—The State plan shall describe the manner in which services will be provided to the working poor.' ''.

Beginning on page 305, strike line 19, and all that follows through line 6, on page 306, and insert the following:

(d) CLARIFICATION OF ELIGIBLE CHILD.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking ''75 percent'' and inserting ''100 percent''.

On page 738, line 10, strike ''on'' and insert ''for''.

On page 753, line 8, strike ''subsections (c) and (d)'' and insert ''subsection (c)''.

On page 753, lines 20 and 21, strike ''or serious physical, sexual, or emotional harm, or'' and insert '', serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which''.

On page 776, line 1, strike ''other'' the second time such term appears.

On page 786, line 7, strike '', through 2000'' and insert ''and 1997''.

On page 22, line 12, strike ''$16,795,323,000'' and insert ''$16,803,769,000''.

On page 99, line 20, strike ''$92,250,000'' and insert ''$100,039,000''.

On page 100, line 9, strike ''$3,150,000'' and insert ''$3,489,000''.

On page 100, line 22, strike ''$4,275,000'' and insert ''$4,593,000''.

On page 99, strike lines 4 and 5 and insert the following:

(I) by inserting ''(or paid, in the case of part A of title IV)'' after ''certified''; and

On page 27, strike lines 17 through 22, and insert the following:

''(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

On page 54, line 25, add after ''amount.'' the following: ''The Secretary may not forgive any outstanding loan amount nor interest owed thereon.''

On page 293, lines 8 and 9, strike ''any benefit described in clause (1)(A)(ii) of subsection (d)'' and insert ''any benefit under a program described in subsection (d)(2)''.

On page 293, line 19, strike ''subsection (d)(2)'' and insert ''subsection (d)(4)''.

On page 293, line 21, insert ''the'' before ''enactment''.

On page 294, line 20, insert ''under a program'' after ''benefit''.

On page 297, line 11, strike ''Federal''.

On page 297, line 20, strike ''and''.

Beginning on page 297, line 21, strike all through page 298, line 3, and insert the following:

(2) the term ''poverty line'' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

On page 298, line 3, strike ''involved.'' and insert ''involved; and''.

Line to be added at the appropriate place in Title XII of Dole's Amendment to HR. 4:

''In making reductions in full-time equivalent positions, the Secretary is encouraged to reduce personnel in the Washington, DC area office (agency headquarters) before reducing field personnel.''

(1) In Section 501(b)(1), strike ''(IV), or (V)'' and insert in lieu thereof ''or (IV)''.

(2) In Section 502(f)(1), strike ''(IV), or (V)'' and insert in lieu thereof ''or (IV)''.

AGRICULTURE APPROPRIATIONS FOR FISCAL YEAR 1996

BINGAMAN AMENDMENT NO. 2693

Mr. BUMPERS (for Mr. BINGAMAN) proposed an amendment to the bill (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, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from the average previous three fiscal year levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the Secretary of Agriculture (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

McCAIN (AND OTHERS) AMENDMENT NO. 2694

Mr. McCAIN (for himself, Mr. DOMENICI, Mr. INOUYE, Mr. BINGAMAN, Mr. CONRAD, and Mr. DORGAN) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 25, line 14, strike ''$568,685,000'' and insert in lieu thereof ''$564,685,000''.

On page 15, line 13, after the semi-colon insert ''$1,450,000 for payments to the 1994 institutions pursuant to Sec. 534(a)(1) of P.L. 103–382;''.

On page 15, line 17, strike ''$418,172,000'' and insert in lieu thereof ''$419,622,000''.

On page 18, line 2, after the semi-colon, insert ''$2,550,000 for payments to the 1994 institutions pursuant to Sec. 534(b)(3) of P.L. 103–382;''.

On page 18, line 11, strike ''$437,131,000'' and insert ''$439,681,000''.

KERRY (AND OTHERS) AMENDMENT NO. 2695

Mr. KERRY (for himself, Mr. BRYAN, Mr. SMITH, Mr. LIEBERMAN, and Mr. DORGAN) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place, insert the following:

SEC. . MINK INDUSTRY.

(a) FINDINGS.—Congress finds that—

(1) since 1989, the Federal government, through the Department of Agriculture Market Promotion Program, has provided more than $13,000,000 to the Mink Export Development Council for the overseas promotion of mink coats and products; and

(2) the Department of Commerce has estimated that since 1989 the value of United States exports of mink products has declined by more than 33 percent and total United States mink production has been halved.

(b) FUNDING.—None of the funds made available in this Act may be used to carry out, or to pay the salaries of personnel who carry out, the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623), in a manner that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

STEVENS AMENDMENT NO. 2696

Mr. STEVENS proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 32 of the bill, strike lines 7 through 11 and insert in lieu thereof the following:

SEC. . For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by Congress for the Natural Resources Conservation Service, $677,000: *Provided*, That none of these funds shall be available to administer laws enacted by Congress for the Forest Service: *Provided further*, That $350,000 shall be made available to the Secretary of Agriculture to administer the laws enacted by Congress for the Forest Service: *Provided further*, That notwithstanding Section 245(c) of Public Law 103–354 (7 U.S.C. 6961(c)), the Secretary of Agriculture may not delegate any authority to administer laws enacted by Congress, or funds provided by this Act, for the Forest Service to the Under Secretary for Natural Resources and Environment.

FEINGOLD (AND McCAIN) AMENDMENT NO. 2697

Mr. FEINGOLD (for himself and Mr. McCAIN) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place, insert the following:

SEC. . SPECIAL RESEARCH GRANTS PROGRAM.

(a) IN GENERAL.—None of the funds made available under this Act for the program established under section 2(c) of Public Law 89–106 (7 U.S.C. 450i(c)) may be used for a grant that is not subject to a competitive process

and a scientific peer review evaluation by qualified scientists in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector.

(b) DEFICIT REDUCTION.—Any funds made available under this Act that are not expended because of subsection (a) shall revert to the general fund of the Treasury for deficit reduction.

CONRAD AMENDMENT NO. 2698

Mr. CONRAD proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place, insert the following:

SEC. . REPAYMENT OF ADVANCE DEFICIENCY PAYMENTS FOR 1995 DISASTER LOSSES.

(a) IN GENERAL.—Notwithstanding subparagraphs (G) and (H) of section 114(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445j(a)(2)), if the producers on a farm received an advance deficiency payment for the 1995 crop of a commodity and suffered a loss in the production of the crop due to weather or related condition, the producers shall not be required to repay an amount of the payment that is equal to, subject to subsection (b), the product obtained by multiplying the applicable crop acreage base and the farm program payment yield.

(b) LIMITATIONS.—The amount of the payment that the producers on a farm are not required to repay under subsection (a) shall—

(1) not exceed $2,500; and

(2) not be available for production on which crop insurance coverage is available, as determined by the Secretary of Agriculture.

(c) FUNDING.—Up to $35,000,000 that has been made available to carry out the export enhancement program established under section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651) during fiscal year 1996 may be used to carry out this section.

BUMPERS (AND BRYAN) AMENDMENT NO. 2699

Mr. BUMPERS (for himself and Mr. BRYAN) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 65, line 18, before the period at the end, insert the following: '': *Provided further*, That funds made available under this Act to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to associations described in the first section of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 22, 1922 (7 U.S.C. 291): *Provided further*, That such funds may not be used to provide cost-share assistance to a foreign eligible trade organization: *Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000''.

DORGAN (AND CONRAD) AMENDMENT NO. 2700

Mr. COCHRAN (for Mr. DORGAN, for himself, and Mr. CONRAD) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE ON UNITED STATES-CANADIAN COOPERATION CONCERNING AN OUTLET TO RELIEVE FLOODING AT DEVILS LAKE IN NORTH DAKOTA.

(a) FINDINGS.—The Senate finds that—

(1) flooding in Devils Lake Basin, North Dakota, has resulted in water levels in the lake reaching their highest point in 120 years;

(2)(A) 667,000 trees are inundated and dying;

(B) 2500 homeowners in the county are pumping water from basements;

(C) the town of Devils Lake is threatened with lake water nearing the limits of the protective dikes of the lake;

(D) 17,400 acres of land have been inundated;

(E) roads are under water;

(F) other roads are closed and will be abandoned;

(G) homes and businesses have been diked, abandoned, or closed; and

(H) if the lake rises another 2 to 3 feet, damages of approximately $74,000,000 will occur;

(3) the Army Corps of Engineers and the Bureau of Reclamation are now studying the feasibility of constructing an outlet from Devils Lake Basin;

(4) an outlet from Devils Lake Basin will allow the transfer of water from Devils Lake Basin to the Red River of the North watershed that the United States shares with Canada; and

(5) the Treaty Relating to the Boundary Waters and Questions Arising Along the Boundary Between the United States and Canada, signed at Washington on January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the ''Boundary Waters Treaty of 1909''), provides that ''. . . waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.'' (36 Stat. 2450).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States Government should seek to establish a joint United States-Canadian technical committee to review the Devils Lake Basin emergency outlet project to consider options for an outlet that would meet Canadian concerns in regard to the Boundary Waters Treaty of 1909.

DOLE AMENDMENT NO. 2701

Mr. COCHRAN (for Mr. DOLE) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 13, line 23, insert the following after ''law'': '': *Provided further*, That of the funds made available under this heading for the National Center for Agricultural Utilization Research, not less than $1,000,000 shall be available for the Grain Marketing Research Laboratory in Manhattan, Kansas''.

ABRAHAM (AND OTHERS) AMENDMENT NO. 2702

Mr. COCHRAN (for Mr. ABRAHAM, for himself, Mr. BROWN, and Mr. GRAMS) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place in title VII, insert the following:

SEC. 7 . ELIMINATION OF UNNECESSARY ADVISORY COMMITTEES.

(a) SWINE HEALTH ADVISORY COMMITTEE.—Section 11 of the Swine Health Protection Act (7 U.S.C. 3810) is repealed.

(b) GLOBAL CLIMATE CHANGE TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

GORTON (AND OTHERS) AMENDMENT NO. 2703

Mr. COCHRAN (for Mr. GORTON, for himself, Mrs. MURRAY, and Mr. BURNS) proposed an amendment to the bill H.R. 1976, supra; as follows:

To H.R. 1976, Title VII General Provisions, on page 84, line 1, insert the following new section:

SEC. 730. Upon the date of enactment of this Act, the Secretary of Agriculture shall immediately withdraw Federal regulation 36 CFR Part 223 promulgated on September 8, 1995, for a period of no less than 120 days; provided that during such time the Secretary shall take notice and public comment on the regulations and make the necessary revisions to reflect public comment. Any fines assessed pursuant to 36 CFR Part 223, from the effective date of said regulation to the date of enactment of this Act, shall be null and void. During the 120 day period, the interim regulatory guidelines published pursuant to 55 CFR 48572 and 56 CFR 65834 shall remain in effect.

BENNETT AMENDMENT NO. 2704

Mr. COCHRAN (for Mr. BENNETT) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 25, line 14, strike $564,685,000 and insert $563,004,000.

On page 37, line 8, strike $1,000,000 and insert $2,681,000.

FEINGOLD AMENDMENT NO. 2705

Mr. COCHRAN (for Mr. FEINGOLD) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 44, line 16, before the period insert the following: ''*Provided further*, That loan guarantees for business and industry assistance funded under this heading shall be made available to tourist or other recreational businesses in rural communities''.

LEAHY AMENDMENT NO. 2706

Mr. COCHRAN (for Mr. LEAHY) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 14, strike on line 12, ''40,670,000'' and insert in lieu thereof, ''42,620,000''.

On page 15, strike on line 17, $419,622,000'' and insert in lieu thereof ''421,622,000.''

On page 82, reduce ''$800,000,000'' by $4,444,000.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Tuesday, September 19, 1995, at 9 a.m., in SR–332, to mark up the Committee's Budget Reconciliation instructions.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, September 19, 1995, to conduct a hearing on legislation to reform public housing and tenant based section 8 assistance.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a business meeting Tuesday, September 19, at 9:30 a.m., hearing room SD–406, to consider the nomination of Greta Joy Dicus, to be a member of the Nuclear Regulatory Commission, and reconciliation legislation.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Tuesday, September 19, at 2:30 p.m. for a markup on reconciliation.

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

COMMITTEE ON SMALL BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Tuesday, September 19, 1995, at 2:30 p.m., in room 428A, Russell Senate Office Building, to conduct a hearing focusing on tax issues impacting small business.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. COCHRAN. The Committee on Veterans' Affairs would like to request unanimous consent to hold a joint hearing with the House Committee on Veterans' Affairs to receive the legislative presentation of the American Legion. The hearing will be held on September 19, 1995, at 9:30 a.m., in room 334 of the Cannon House Office Building.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, September 19, 1995, at 6 p.m. to hold a closed business meeting.

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

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Tuesday, September 19, 1995, at 10 a.m., in Senate Dirksen room G66, on the Ruby Ridge incident.

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

ADDITIONAL STATEMENTS

THIRD BATTLE OF WINCHESTER

• Mr. WARNER. Mr. President, I rise today to pay tribute to the brave Confederate and Union soldiers who fought in a turning-point battle 131 years ago today near Winchester, VA. The Third Battle of Winchester claimed more than 9,000 casualties and led to the burning and massive destruction of the Shenandoah Valley, which had effectively served as the Confederate Army's breadbasket, supplying food and materials that were critical to the war effort.

It is fitting that today the House of Representatives, under the skillful leadership of Representatives FRANK WOLF, passed H.R. 1091, which contains title IV, a section containing the Shenandoah Valley National Battlefield Partnership Act. I have introduced the same legislation here in the Senate. I note to my colleagues that we passed this bill by unanimous consent last year and I hope we will take the same step this year.

Mr. President, the Civil War is an important lesson for America and indeed, the rest of the world.

Here we are, 131 years since the War Between the States, and the same type of fighting and carnage that wrought havoc on Winchester and valley towns like New Market, Toms Brook, Port Republic, and Cedar Creek, is brutally being carried out in the Balkans today.

I have traveled five times to the war-torn Bosnian region. About 4 weeks ago I was there with my good and courageous friend Senator KERREY of Nebraska. We were in Croatia, right on the border with Bosnia. We went through villages that had been ravaged by cannons and soldiers.

Senator KERREY and I visited a refugee camp and talked with a doctor who appeared to be the spokesman for his group.

I asked this doctor, ''Can you explain to me why we are here, in this century, fighting this type of war of wanton destruction between people who live in villages and towns together and who live inside the same country.''

The doctor answered by saying, ''Senator, go back and study the origins of your Civil War.''

His answer, Mr. President, is the reason we must pay tribute to our heritage by preserving our Civil War battlefields in the Shenandoah Valley. We must preserve these battlefields so that we may create a better understanding in successive generations. The threats to the United States today are unlike World War I and World War II. The threats today are from the weapons of mass destruction, but also from the cultural and religious civil wars that take place throughout the world.

As we see in Bosnia and the Balkans today, these internal civil wars can boil over into neighboring countries and indeed, into Western Europe and North America.

The lessons for future generations are how best we can deter these wars from taking place. How best we, as a nation and leader of the free world, can step forward and try and bring about peace. Often the teachings and understandings begin hear at home and on hallowed ground like the Shenandoah Valley battlefields.

Mr. President, yesterday I attended the dedication of the Third Battle of Winchester. It was a great pleasure to be among so many friends and to join in the celebration of preserving that historic battlefield.

The commitment by local government and private preservation groups has energized me to ensure that the battlefields in the valley receive their long overdue national recognition.

Mr. President, I ask that my remarks from yesterday's ceremony be printed in the RECORD.

The remarks follow:

REMARKS BY SENATOR JOHN WARNER ON THE DEDICATION OF THE THIRD BATTLE OF WINCHESTER SEPTEMBER 18, 1995.

Good Morning, Director Kennedy, Director Diehl, distinguished guests and ladies and gentleman.

I want to join in applauding the tenacity of Congressman WOLF for successfully bringing the parties to agreement, the generosity of Dave Holliday as a responsible steward of this historic property, the commitment of the APCWS for effective preservation efforts here and throughout Virginia, and the responsiveness of the Civil War Trust for recognizing the urgency of preserving this unspoiled ground.

In the many years that I have traveled throughout the Valley, I have heard first-hand the heroic stories passed down from generation to generation about this war of valiant military strategies and brave personal sacrifices.

Many persons unfamiliar with the deep, intergenerational scars marking this period often ask, ''why now''? Why, after more than a century, stoke the coals of resentment associated with the most divisive conflict in our history?

It is not about reviving old hostilities, but of remembering, and paying homage, to old hurts.

So many families, so many businesses were destroyed or damaged irrevocably by forces beyond their control.

Innocent civilians bore the burdens of ''the burning.''

No one who lived in this valley escaped some vestige of the misery which plagued the area throughout the conflict. Their descendants share the pain and the pride today.

This region suffered severely from the destruction caused by the 100 engagements that occurred here. Throughout the war, Winchester was pivotal to both sides, having changed hands seventy-six times.

The epic ebb and flow of Confederate and Union forces during this conflict, however, is eloquently preserved in books by America's most respected historians—Bruce Catton, Shelby Foote, Douglas Southall Freeman, and Jim McPherson—and on film for the benefit of future generations.

So I often marvel at the passion and the emotion that this chapter in our Nation's history still stirs in the hearts of so many of us.

I have come to know that it is the love of this land which brings us together today.

It is this land which allows us to visualize the fierce battle between Sheridan and Early.

It renews our respect for our forefathers whose lives were changed forever by this war.

It is the preservation of these battlefields to serve as outdoor classrooms so that our children may understand the sacrifices that were made for a cause to which each side was deeply committed.

It is the land that will remain long after we are gone. And it is the land that we must protect so that these events will not be forgotten.●

COMMEMORATING UKRAINIAN INDEPENDENCE DAY

● Mr. BRADLEY. Mr. President, I rise today to commemorate Ukrainian independence. Tomorrow, Ukrainian-Americans will be honoring the fourth anniversary of Ukraine's independence in observance here in our Nation's Capital.

Ukraine was established as a state in the 9th century, but has struggled valiantly against several invaders to gain its independence from foreign domination. On July 15, 1990, Ukraine's efforts successfully resulted in its declaration of sovereignty, followed by its declaration of independence on August 24, 1991.

Upon gaining independence, Ukraine has continued to work for both economic reform and democracy. In particular, Ukraine has taken significant steps to reform its economy, working to stabilize inflation, liberalize prices, and privatize industries. Further, through the creation and continued improvement of a constitutional framework, Ukraine is developing its own strong democratic tradition. In light of Ukraine's efforts, it is fitting that members of this Chamber join in paying tribute to Ukraine's long struggle for freedom.

I also wish to pay to tribute to the Ukrainian-American community. During the long years when Ukraine suffered under foreign control, Ukrainian-Americans helped keep alive the flame of Ukraine's culture and traditions. On behalf of the Ukrainian community in New Jersey and all Americans of Ukrainian descent, I am honored to pay tribute, on behalf of the Nation, to the Ukrainian community in commemoration of its independence day.●

TRIBUTE TO ROSALIND W. WYMAN

● Mrs. FEINSTEIN. Mr. President, I'd like to take a moment today to pay tribute to someone I consider to be one of my best friends in the world. She is a fireball of energy and someone who has truly touched the lives of many, many people.

Rosalind Wyman is an extraordinary friend.

''Politics, arts, sports and my family are my life,'' Roz Wyman once said. Roz has indeed turned her passion into results.

A native and resident of Los Angeles, Wyman has been involved in the political world since before she can remember; her baby book includes a picture of 2-year-old Roz smiling happily at a portrait of Franklin D. Roosevelt. Strongly influenced by her parents' belief that you should serve your community, she turned immediately to elective politics following her graduation from the University of Southern California.

At the age of 22, Roz became the youngest elected legislator in a major U.S. city when she was elected to the Los Angeles City Council.

From 1953 to 1965, Wyman served as a member of the non-partisan council, earning particular recognition for her successful drive to bring the Dodgers to Los Angeles.

The late owner of the Dodgers, Walter O'Malley, often said: ''The Dodgers would not be in Los Angeles if it had not been for Roz.'' She also played a major role in the move of the Lakers basketball team to Los Angeles.

In the years since she left the council, Wyman has applied her formidable organizational skills to a variety of local, national and international tasks. Among her many other accomplishments, Roz served by appointment of the President on the Independent Commission to Review the National Endowment for the Arts grantmaking procedures. Locally, she became President of the Los Angeles County Music and Performing Arts Commission in 1992.

She served as executive chairperson of the Producers Guild of America (1977–1981) and as executive vice chair of the Los Angeles Center Theatre Group, which operates the Mark Taper Forum and the Ahmanson Theatre.

She helped direct State and national campaigns and chaired two Democratic Congressional Campaign Dinners, each of which set records by raising over $1 million.

Roz participated in the U.S. Delegation to the United National Economic and Social Council (UNESCO) and was part of the American delegation to the Commission on Security and Cooperation in Europe (Madrid, 1980).

But, it was in 1983 that Roz Wyman—this legend from Los Angeles—walked into my life.

Roz became the first woman ever selected to be the convention chair and chief executive officer for a Democratic Convention. She had been selected to chair the 1984 convention in San Francisco. I was Mayor of San Francisco at the time. And I can tell you this: The first time Roz Wyman walked into my office with her list of items that needed to be provided by the city of San Francisco, I knew I had met someone with formidable determination and tenacity. And I knew I had made a friend for life.

The convention was a huge success. And every convention since then has been modeled on what Roz made happen in San Francisco.

Since then, I always knew that Roz was someone who could get the job—any job—done.

When I thought about running for the U.S. Senate in 1992, Roz was one of the first people I turned to and she was one of the first people to volunteer to be a campaign co-chair.

For the last 4 years of my life, Roz has been the truly inspirational force who, in spirit, has never left my side.

She has opened her home to a tired candidate and staff. She has been the unyielding cheerleader who was always upbeat even in the face of tough times. And she has always been faithful to her vision of what is right for our State and our country.

One of Roz's dreams, she told me, was to see a woman elected U.S. Senator from California. I am so honored, and indeed lucky, to be the recipient of Roz's focused attention.

Roz will soon celebrate her birthday with her three children, her 5½ year-old granddaughter, Samantha, and her many, many friends. I am so glad that her family has asked some of Roz's friends to pay tribute in some way to our Roz.

There are few people in the world as passionate, as loving, as strong, and as inspiring as Roz Wyman.

Many may know Roz because she was the youngest person ever elected to the Los Angeles City Council or because she almost singlehandedly brought the Dodgers from Brooklyn to Los Angeles.

But, in my own heart, I will always know Roz because she is that special, life-long friend who helped make my dreams come true.●

GLIDERMEN OF NEPTUNE, THE AMERICAN D-DAY GLIDER ATTACK

● Mr. INOUYE. Mr. President, I would like to bring to my colleagues' attention a book written by Mr. Chuck J. Masters entitled, ''Glidermen of Neptune, The American D-Day Glider Attack.'' The book portrays the American soldiers who flew in the ''flying coffins'' of the D-Day invasions of Europe. Unarmed, these gliders carried a brave group of World War II soldiers known as glidermen. One of these brave soldiers was Senate President pro tempore STROM THURMOND. I commend this book to you so you may become better acquainted with Senator THURMOND's contribution to our Nation.●

GERMANY'S AGREEMENT TO COMPENSATE HUGO PRINCZ FOR HIS SUFFERING IN NAZI CONCENTRATION CAMPS

● Mr. BRADLEY Mr. President, Hugo Princz's war has ended.

By now, we are all familiar with the tragic story of Hugo Princz. He and his family were American citizens living in Slovakia when World War II broke out. In 1942, before they were able to get visas to America, Hugo Princz and his family were rounded up and put on a grain to the Treblinka concentration camp.

While all of his family perished in the camps, Hugo Princz managed to survive Treblinka, Auschwitz, a labor camp in the Warsaw ghetto, and Dachau, It is a story of remarkable strength and courage. In 1945, while en route to an extermination camp, Hugo Princz was rescued from his death train by an American tank division.

However, Hugo Princz's tragedy did not end with his liberation. Because he was an American citizen and was not processed through a Displaced Persons Center, in 1955 he was declared ineligible by the German Government for the reparations paid to other Holocaust survivors.

Hugo Princz did not let the matter drop, for Hugo Princz's war was not yet over. While living in New Jersey, where he worked, paid taxes, raised a family, and was a credit to his community, Hugo Princz continued to pursue justice from the German Government. He showed the same courage and perseverance that had brought him through the horrors of the Holocaust.

Slowly, over time, Hugo Princz began to find support in this country for his quest. He enlisted the help of two talented lawyers, Steve Perles and Bill Marks, who pursued his claims in the courts. The adminsitration raised the case with the German Government at the highest levels. Congress, belatedly, went into action and threatened to strip German's sovereign immunity.

Finally, yesterday, 50 years after the formal end of World War II and the formal liberation of the concentration camp prisoners, Hugo Princz made his own peace and accepted a settlement. It is not enough in dollar terms, Indeed, no amount of money could ever compensate Hugo Princz for his suffering—both during the war and during his quest for reparations. But by accepting German's settlement, Hugo Princz has vindicated his life of courage. He has won recognition of the justice of his cause.

Hugo Princz is an inspiration to the people of New Jersey and the United States. I am proud to congratulate him and wish him well in his new, post-war life.●

TRIBUTE TO ERIC SHAEFER

●Mr. SARBANES. Mr. President, over this past weekend Baltimore experienced a devastating eight alarm fire which swept through the Clipper Industrial Park, claiming the life of one Baltimore city firefighter and seriously injuring three others. I rise to pay tribute to Eric Schaefer who gave his life during this tragic event and to commend all of the firefighters who responded so quickly and put their lives on the line, including Capt. Joseph Lynczynski, Stu Curtain, and Barry Blackmon, who were injured in the blaze. This tragedy reminds us that firefighters risk their own lives every day to protect the lives and property of others against the very real dangers of fire. I ask that an article about Eric Sheafer, entitled ''Firefighter Loved Everything About the Job,'' from the Baltimore Sun of Monday, September 18, 1995, be printed in the RECORD.

The article Follows:

[From the Baltimore Sun, Sept 18, 1995]

FIREFIGHTER 'LOVED EVERYTHING' ABOUT JOB

(By Dennis O'Brien)

If he wasn't fighting fires or jumping from airplanes, Eric Schaefer was probably working in his garden.

The 25-year-old Baltimore native spent much of his spare time raising peppers and tomatoes in the garden behind the Glenmore Avenue home, when he and his wife had settled after their wedding in July.

Mr. Scheafer, a Baltimore firefighter who was killed Saturday during a fire at a Baltimore foundry, will likely be remembered and eulogized in Maryland this week for dying a hero's death.

But friends and relatives said last night their memories are of a lively, flesh-and-blood personality—a nonstop talker and would-be gourmet cook who loved fighting fires for the city Fire Department and jumping out of airplanes as an Army Reserve paratrooper.

''He loved anything that would give him a rush,'' Tina Schaefer said last night of her late husband.

Mrs. Schaefer and other relatives said Mr. Schaefer never talked about the dangers of the job he held for 18 months.

''He loved being a firefighter. He just loved everything about the job,'' said Dorian Schaefer, Mr. Schaefer's father.

He enjoyed camping and reading books about World War II and Vietnam. He had an aquarium with eight fish and was fascinated by snakes—keeping 15 of them as pets.

''He'd play games with them, sort of tease you with them, say, 'Here take this,' and he'd practically put one on your lap,'' said William Boyd, a longtime friend.

Mr. Schaefer had the usual culinary tastes. He liked pizza and enjoyed spicing up his taco chips with salsa. But he also enjoyed cooking exotic meals—tuna steaks and scallops in garlic were his specialties.

Mr. Schaefer and the former Tina Robinson had known each other since they were in school together at St. Francis of Assisi Elementary School in Northeast Baltimore.

Stories about being a firefighter from his fiancee's grandfather, Kenneth A. Robinson, a retired Baltimore fire captain, and her father, Kenneth B. Robinson, a retired fireboat engineer, inspired the Overlea High School graduate to take the firefighter's exam.

When he was accepted into the Baltimore Fire Academy about two years ago, ''He knew he had found his life's work,'' said Mr. Boyd.

Mr. Schaefer was born in Hamden, the oldest of three sons raised by Dorian Schaefer, a construction worker, and his wife, Suellyn.

Mr. Schaefer attended Archbishop Curley High School for three years and then transferred to Overlea High School, from which he graduated in 1989.

He worked as a picture framer at Total Crafts, a shop in the Parkville Shopping Center, until 1992. Then, he joined the Army Reserve, serving with the 450th Civil Affairs Battalion, an airborne unit based in Riverdale. As a paratrooper, he had 10 jumps to his credit, according to relatives.

Along with his parents and wife, Mr. Schaefer is survived by two brothers, Todd, 22, a dialysis technician in Baltimore, and Chad, 16, a senior at Overlea High School.

Services for Mr. Schaefer are set for 11 a.m. Thursday at St. Francis of Assisi Church on the 3600 block of Harford Road. There will be viewing at the Ruck Funeral Home on the 5300 block of Harford Road from 2 p.m. to 4 p.m. and from 7 p.m. to 9 p.m. tomorrow and Wednesday.

Mr. Schaefer's family has asked that memorial contributions be sent to the Johns Hopkins Bayview Medical Center Burn Center.●

ALBANIA AND THE UNITED STATES

●Mr. LIEBERMAN. Mr. President, Albanian President Berisha has recently concluded a successful visit to the United States, strengthening the relationship between his nation and ours. On this occasion, I would like to share with my colleagues the following article written by Michael D. Granoff, Director of the US-Albania Enterprise Fund, on September 6. I ask that the article be printed in the RECORD.

The article follows:

ALBANIA AND THE UNITED STATES: AN OLD NEW PARADIGM

There has been much handwringing lately by politicians, diplomats and pundits of all stripes lamenting the state of US foreign policy. The oft cited vision thing. I recently visited Albania as a Presidential appointee to the Board of the US-Albania Enterprise Fund and observed the beginning of a new relationship that may serve as a model as we confront a changing, and perhaps ironically a more unstable, world landscape.

Albania was one of the most isolated nations on earth under the communist dictatorship of Enver Hoxha after World War II. A nation with no relationship to the United States. Now, a democratically elected President, Sali Berisha, has embarked on a set of reforms to promote democratic institutions and the development of the private sector. Albania needs to create a new economy out of whole cloth. Its leaders do not have the benefit of prior experience in the world community. Its existing financial institutions are remnants of a bygone age and are not up to the task. To use the terminology of the venture capital business, Albania is a restart and restarts are always risky. In this case I think it may be a good bet.

I found President Berisha, Finance Minister Vrioni and other government officials to be committed to reform, honest about their problems and ready to take tough action. Our political leaders could perhaps learn something from the ''developing'' Albanians. Repressed for 50 years, the people of Albania exhibit a palpable desire to take control of their political and economic lives.

The US-Albania Enterprise Fund was initiated by President Clinton as the last of a series of funds first conceived under the Bush Administration to promote private sector development in the formerly communist countries of Eastern Europe. The Funds are controlled by Boards of Directors consisting largely of private business people appointed by the President, who serve without pay. As profit-seeking, privately managed entities, the funds represent a new approach to foreign assistance and offer one answer to the current impasse concerning the US foreign aid program in general.

The enterprise Fund's goal in Albania is to coinvest with Albanians in small and midsized businesses to create profitable enterprises. If successful, The Fund will assist Albanian employment, reduce imports and help integrate Albania into the global economic system. In addition to our efforts, the US Agency for International Development is well into a major program to assist with agriculture and housing sector development.

The World Bank and other international financial institutions have weighed in with infrastructure and privatization assistance. Together we have the rare potential to work collectively with a government to substantially improve the lives of its people. Many problems remain. The transition from an isolated society where nearly everyone was poor to a democracy where there will be those with more than others will not be easy. For example, the distinctions between equal opportunity and equal outcome are no more easily understood in Albania than is apparent from the current debate in the US over affirmative action.

On the political side, the US and Albania are beginning to cooperate diplomatically and militarily on regional issues. Albania occupies an important strategic position in the southern Balkans and has begun to play a stabilizing role in preventing the spread of the Bosnia conflict. As a long time resident in a tough neighborhood, Albania can provide the US with a vital local perspective. The bottom line is that Albania, a tiny nation with which the US has previously had virtually nonexistent relations, has the potential to become an important ally with a growing comity of interests. In the process, I believe we may be creating a model for future US foreign policy that cuts across traditional political and ideological lines. We are doing what we always say US foreign policy is supposed to do—promote democracy and the development of the private sector. And from a geostrategic point of view we are establishing an important alliance in an increasingly unstable region.

When first appointed to the enterprise fund board, I must admit I had to look at a map to see exactly where Albania was. Albanian President Berisha will visit the US in September. US policymakers should take the opportunity to take out their maps. They may be surprised by the opportunity for a bipartisan foreign policy success.●

REVISED CONFEREES—S. 219 AND S. 4

Mr. COCHRAN. I ask unanimous consent that the following be considered the revised list of conferees to accompany S. 219, the regulatory reform bill, and S. 4, the line-item veto bill.

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

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

S. 219: Mr. Stevens, Mr. Nickles, Mr. Thompson, Mr. Grassley, Mr. Glenn, Mr. Levin, and Mr. Reid.

S. 4: Mr. Stevens, Mr. Roth, Mr. Thompson, Mr. Cochran, Mr. McCain, Mr. Glenn, Mr. Levin, Mr. Pryor, Mr. Sarbanes, Mr. Domenici, Mr. Grassley, Mr. Nickles, Mr. Gramm, Mr. Coats, Mr. Exon, Mr. Hollings, Mr. Johnston, and Mr. Dodd.

RELATIVE TO POLITICAL AND RELIGIOUS PRISONERS IN VIETNAM

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 174, submitted earlier today by Senator GRAMS.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 174), expressing the sense of the Senate that the Secretary of State should aggressively pursue the release of political and religious prisoners in Vietnam.

The Senate proceeded to consider the resolution.

Mr. GRAMS. Mr. President, today I am submitting Senate Resolution 174, which expresses the sense of the Senate that the Secretary of State should aggressively pursue the release of political and religious prisoners in Vietnam.

My resolution has been prompted by the recent sentencing of two American citizens for attempting to organize a conference in Vietnam to discuss democracy and human rights. These two American citizens, Mr. Nguyen Tan Tri and Mr. Tran Quang Liem, were detained for 2 years by the Vietnamese without charge. Mr. Tri has now been sentenced to a 7-year prison term and Mr. Liem to 4 years. Both are in ill health.

The resolution calls for the Secretary of State to pursue the release of these two prisoners as well as other American citizens—I understand that American citizens from the State of Virginia are imprisoned in Vietnam as well—and all political and religious prisoners in Vietnam.

The President has just normalized relations with Vietnam. I supported normalization, because I believe it will give us more leverage with the Vietnamese Government to pursue outstanding issues such as MIA's/POW's and the release of those imprisoned in violation of international law after expressing political and religious views. Not only are people jailed for espousing political views, but those who seek religious freedoms are as well. Persecution of Buddhist leaders is rampant. Catholic and other Christian leaders have also been imprisoned allegedly for political activities under the guise of their religion.

I was disappointed that Secretary Christopher and Secretary Lord did not address this matter with Vietnamese officials in Vietnam shortly after normalization was announced. While I appreciate the efforts of consular officers in Vietnam and lower-level State Department officials to address this matter with their peers in the Vietnamese Government, I believe this issue should have been addressed directly by Secretary Christopher.

Mr. President, I am told that Vietnam has now agreed to retry the cases of at least the two Americans. We do not know when, or if, that may occur. In my judgment, it is important to pass this resolution immediately to show Senate support for a quick resolution of this situation.

Passage of this resolution is being coordinated with other concerned governments. Last week the Canadian Parliament adopted a similar resolution, and the Australian Parliament will adopt one very shortly.

If we are to have a diplomatic relationship with Vietnam, we must work with them at the highest levels of government to urge them to honor their commitment under the Universal Declaration of Human Rights by releasing all religious and political prisoners. We must also urge Vietnam to continue our efforts to obtain a full accounting of MIA's/POW's.

I urge my colleagues to support the effort to pass this resolution under unanimous consent today.

Mr. COCHRAN. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The resolution (S. Res. 174) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S.RES 174

Whereas there are many outstanding issues between the United States and Vietnam including a full accounting of MIAs/POWs; pursuit of democratic freedoms in Vietnam, including freedom of expression and association; and resolution of human rights violations;

Whereas the Government of Vietnam continues to imprison political and religious leaders to suppress the nonviolent pursuit of freedom and human rights;

Whereas the Government of Vietnam has not honored its commitments under the Universal Declaration of Human Rights and the International Covenant of Civil and Political Rights;

Whereas two American citizens, Mr. Nguyen Tan Tri and Mr. Tran Quang Liem, are among those recently sentenced to prison terms of 7 and 4 years, respectively, for their efforts to organize a conference, after 2 years of detention without charge; and

Whereas these two Americans are in poor health and are not receiving proper treatment: Now, therefore, be it

Resolved, That the Senate hereby—

(1) Urges the Secretary of State to pursue the release of the American prisoners as well as all political and religious prisoners in Vietnam as a matter of the highest priority;

(2) requests that the Secretary of State submit regular reports to the Committee on Foreign Relations of the Senate regarding the status of the imprisonment and wellbeing of the two American prisoners; and

(3) requests that the President meet with relatives of the two Americans at his earliest convenience.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State.

SIGNING OF THE ISRAELI-PALESTINIAN DECLARATION OF PRINCIPLES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Res. 171, relating to the signing of the Israeli-Palestinian declaration of principles, and that the Senate then proceed to its immediate consideration.

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

The Senate proceeded to consider the resolution.

Mrs. FEINSTEIN. Mr. President, 2 years and 6 days ago, on September 13, 1993, my colleagues and I were privileged to witness an historic moment on the White House lawn: the signing of the Israeli-Palestinian Declaration of Principles.

Last week, on behalf of myself, Senator BROWN, Senator LIEBERMAN, and Senator PELL I submitted S. Res. 171, a resolution expressing the sense of the Senate on this important anniversary.

Today, I am pleased to welcome this resolution's adoption by the full Senate. This is an important demonstration of the Senate's continued support for the Middle East peace process, and a note of encouragement to those working to bring it to a successful conclusion.

From time to time, it is worth taking a moment to recognize the remarkable progress that has been achieved in the Middle East in such a short time. The Middle East has changed so much in the last 4 years that we often take the changes for granted. But reviewing the changes makes us realize that we are witnessing a true transformation in the region.

Think of it:

Four years ago, before the Madrid Conference in October 1991, Israel had never sat face-to-face in peace talks with most of its Arab neighbors. Today, meetings between Israeli and Arab officials—from Israel's immediate neighbors, from the Persian Gulf States, and from North Africa—are so routine and so numerous that they scarcely receive mention in the news media.

Just over 2 years ago, Israeli and Palestinian negotiators remained locked in a fruitless stalemate, and direct talks between Israel and the PLO were deemed impossible. Today, there is Palestinian self-rule in Gaza and Jericho, Israel and the Palestinian Authority are on the verge of reaching an agreement on Palestinian elections and further Israeli troop redeployments in the West Bank, and handshakes between Israeli and PLO leaders are commonplace.

Just over 1 year ago, Israel and Jordan remained officially in a state of war. Today, thanks to the courage and leadership of King Hussein and Prime Minister Rabin, Israel and Jordan have signed a full peace treaty, enjoy full diplomatic relations, and are continually expanding their cooperation in security, economic development, tourism, the environment, and many other areas.

Mr. President, no one would deny that peace has not yet been secured in the Middle East. Much, much work remains to be done. Although the Israeli-Syrian negotiations have at times showed promise, with senior Israeli and Syrian military officers holding substantive talks on the security arrangements that must accompany an agreement, these talks currently seem caught in a stalemate. Clearly, many hard rounds of negotiations remain.

Israel's talks with Lebanon are essentially on hold until there is an Israeli-Syrian deal. Israel and the Palestinians must continue to overcome obstacles to the implementation of their agreements, and their negotiations will get no easier once final status talks begin next year.

In addition, the peacemakers of the Middle East face continual opposition from those who would use terrorism to upset the peace process. We were reminded of this once again on August 21 when a suicide bomber blew up a bus in Jerusalem, killing five Israeli civilians. Like the suicide bombings that preceded it, this was a heinous and unforgivable act of terrorism.

All who are committed to peace must do everything in their power to prevent acts of terrorism. Nowhere is this more true than in the areas controlled by the Palestinian Authority. While the performance of Chairman Arafat's Authority in security matters has improved with time, it must do even more to prevent and punish all terrorist acts. Suicide bombers and other extremists must not be allowed to succeed in their goal preventing the arrival of peace.

But, the obstacles and the hard work ahead do not change the fact that real peace in the Middle East is today genuinely within reach, as it never has been before. The long-held dream of Israelis to live in peace with all their neighbors, in secure borders, is now a real possibility.

To bring this process to a successful conclusion, the parties themselves must make all the difficult decisions. But the support of the United States has always been essential to Middle East peacemaking, and it remains so today.

Presidents Bush and Clinton, and Secretaries of State Baker and Christopher, deserve enormous credit for their unyielding commitment to pursuing a comprehensive peace in the Middle East, and their efforts have earned them the respect and gratitude of parties throughout the region.

The Congress has also been consistent in its strong support of all efforts to advance the peace process, and expressions of that support help bolster the parties in their efforts. One recent expression of that support was the introduction of S. 1064, the Middle East Peace Facilitation Act of 1995, which I was proud to cosponsor along with Senators HELMS, PELL, DOLE, DASCHLE, MACK, LIEBERMAN, MCCONNELL, LEAHY, and LAUTENBERG. This bill would allow the President to continue to provide assistance to the Palestinians and to conduct relations with the PLO, but it includes strict new language mandating compliance by the PLO and the Palestinian Authority with all of their commitments. This bill is now part of the Foreign Operations Appropriations Act, which will be considered by the full Senate shortly.

This past weekend, Israeli Foreign Minister Shimon Peres and PLO Chairman Yasser Arafat met to try to finalize the agreement on the second phase of the Declaration of Principles. While substantial agreements have been reached on Palestinian elections, the redeployment of Israeli troops, and the expansion of Palestinian self-rule in the West Bank, differences remain over security arrangements in Hebron and the distribution of water resources. Both sides reiterated their commitment to return to the negotiating table to complete this phase at the earliest possible date.

In adopting this resolution today, the Senate lends encouragement to Israel and the Palestinians as they seek to finalize the second phase of the Declaration of Principles. In doing so, we also mark an important milestone on the long road to peace between Israel and the Palestinians. As we take note of these achievements, let us also reiterate once again that the successful conclusion of a comprehensive peace in the Middle East is in the United States' national interest, and that we in the U.S. Senate stand firmly behind all those who are committed to achieving that peace.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements appear at an appropriate place in the RECORD as if read.

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

The resolution (S. Res. 171) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas the Bush administration and the Clinton administration have both worked relentlessly to build on the Middle East peace process that began in Madrid in October 1991, with the goal of achieving a comprehensive, lasting peace between Israel and all its neighbors;

Whereas on September 13, 1993, the first major breakthrough of the Madrid peace process was achieved when Israel and the Palestinians signed the Declaration of Principles on Interim Self-Government Arrangements on the White House lawn;

Whereas September 13, 1995, marks the second anniversary of this important breakthrough;

Whereas the United States has pledged to support the Israeli-Palestinian Declaration of Principles through diplomatic and political efforts, the provision of assistance, and other means;

Whereas the May 4, 1994, Cairo Agreement between Israel and the Palestinians resulted in the withdrawal of the Israeli army from the Gaza Strip and the Jericho area and the establishment of a Palestinian Authority with responsibility for those areas;

Whereas Israel and the Palestinian Authority are continuing negotiations on the redeployment of Israeli troops out of Arab population centers in the West Bank, the expansion of the Palestinian Authority's jurisdiction into the areas vacated by the Israeli army, and the convening of elections for a Palestinian council;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for the October 25, 1994, signing of a full peace

treaty between Israel and Jordan, which established full diplomatic relations and pledged to resolve all future disputes by peaceful means;

Whereas the Israeli-Jordanian peace treaty has resulted in rapid normalization and unprecedented cooperation between the two nations in security, economic development, the environment, and other areas;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for Israel to establish low-level diplomatic relations with Morocco and Tunisia, and to initiate official contacts with Qatar, Oman, and Bahrain;

Whereas the six nations of the Gulf Cooperation Council have announced their decision to end all enforcement of the secondary and tertiary boycotts of Israel;

Whereas extremists opposed to the Middle East peace process continue to use terrorism to undermine the chances of achieving a comprehensive peace, including on August 21, 1995, when a suicide bomber blew up on a bus in Jerusalem, killing one American and four Israeli civilians;

Whereas the issue of security and preventing acts of terrorism is and must remain of paramount importance in the Israeli-Palestinian negotiations; and;

Whereas compliance by the Palestine Liberation Organization and the Palestinian Authority with all of their solemn commitments is essential to the success of the peace process: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its support for the Israeli-Palestinian Declaration of Principles on the second anniversary of its historic signing;

(2) supports the efforts of Israel and the Palestinians to conclude an agreement on implementation of the second phase of the Declaration of Principles;

(3) condemns, in the strongest possible terms, all acts of terrorism aimed at undermining the Israeli-Palestinian peace negotiations and other tracks of the Middle East peace process, and calls upon all parties to take all necessary steps to prevent such acts;

(4) calls upon the Palestine Liberation Organization and the Palestinian Authority to comply with all of their commitments;

(5) welcomes the progress made toward peace between Israel and its neighbors;

(6) commends those Middle Eastern leaders who have committed to resolve their differences through only peaceful means;

(7) reiterates its believe that a comprehensive, lasting peace between Israel and its neighbors is in the national interest of the United States;

(8) encourages all participants in the Middle East peace process to continue working to achieve lasting peace agreements while adhering fully to all commitments made and agreements reached thus far;

(9) calls upon the Arab states to demonstrate their commitment to peace by completely dismantling the Arab boycott of Israel in its primary, secondary, and tertiary aspects; and

(10) strongly supports the Middle East peace process and seeks to effect policies that will help the peace process reach a successful conclusion.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 10:10 p.m., recessed until Wednesday, September 20, 1995, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate September 19, 1995:

DEPARTMENT OF JUSTICE

GLENN DALE CUNNINGHAM, OF NEW JERSEY, TO BE U.S. MARSHAL FOR THE DISTRICT OF NEW JERSEY FOR THE TERM OF 4 YEARS VICE ARTHUR DAVID BORINSKY.

DEPARTMENT OF TRANSPORTATION

CHARLES A. HUNNICUTT, OF GEORGIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION, VICE JEFFREY NEIL SHANE, RESIGNED.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

JAMES CHARLES RILEY, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION FOR A TERM OF 6 YEARS EXPIRING AUGUST 30, 2000, VICE RICHARD V. BACKLEY, TERM EXPIRED.

IN THE COAST GUARD

THE FOLLOWING REGULAR OFFICERS OF THE U.S. COAST GUARD FOR PROMOTION TO THE GRADE OF COMMANDER:

JAMES E. BUSSEY III
ANDREW T. MOYNAHAN
TIMOTHY R. QUINTON
CURTIS J. OTT
MARK J. BURROWS
MICHAEL P. RAND
STEVEN D. HARDY
KEVIN E. DALE
JAMES M. OBERNESSER
PATRICK T. KEANE
JOHNNY L. HOLLOWELL
PAUL D. JEWELL
EARLE G. THOMAS IV
JACK V. RUTZ
JON D. ALLEN
ROBERT C. THOMSON
JOHN E. FROST
DENNIS M. HOLLAND
MICHAEL A. JETT
William D. Baumgartner
Larry R. White
Tracy S. Allen
Stephen E. Mehling
Michael C. Ghizzoni
Daniel N. Riehm
William R. Marhoffer
Brandt R. Weaver
David S. Hill
James D. Maes
CRAIG M. JUCKNIESS
MICHAEL A.NEUSSL
GEORGE H. HEINTZ
JOSEPH W. BRUBAKER
JEFFREY H. BARKER
MICHAEL D. HUDSON
GREGORY A. MITCHELL III
PAUL J. REID
GREGORY L. SHELTON
ROBERT J. WILSON IV
KEVIN J. CAVANAUGH
GEORGE A. ASSENG, JR.
DANIEL L. WRIGHT
KATHY A. HAMBLETT
MICHAEL R. LINZEY
CHRISTINE J. QUEDENS
JEFF R. BROWN
LEROY A. JACOBS, JR.
JOSEPH C. LICHAMER
CHRISTOPHER D. MILLS
DANIEL C. WHITING
NEAL J. ARMSTRONG
ROBIN D. ORR
KEVIN L. MAEHLER
TIMOTHY V. SKUBY
PARTICK J. DIETRICH
HARRY E. HAYNES III
JOSEPH F. RODRIGUEZ
DAVID J. REGAN
JONATHON P. BENVENUTO
JAMES A. MCEWEN
MICHAEL P. NERINO
TAMERA R. GOODWIN
DOUGLAS S. TAYLOR
JEAN M. BUTLER
RANKLIN R. ALBERO
ROBERT A. BALL, JR.
GARY M. SMIALEK
ROBERT E. DAY, JR.
ROBER E. ACKER
MICHAEL E. RABER
MICHAEL D. INMAN
SHARON W. FIJALKA
MONEYY T. KAZEK
AUSTIN F. CALLWOOD
STEVEN P. HOW
IAN GRUNTHER
JEFFREY R. FREEMAN
FREDRICK D. PENDLETON
MARK S. PALMQUIST
ADOLFO D. RAMIREZ, JR.
MARGARET E. JONES
PETER M. KEANE
BLAINE H. HOLLIS
JOHN C. WILLIAMS
GREGG W. STEWART
STEPHEN D. AUSTIN
DEREK H. RIEKSTS
CHRIS OELSCHLEGEL
THOMAS D. HOOPER
JAMES D. BJOSTAD
KEVIN M. ROBB
MARGARET F. THURBER
ROBERT L. KAYLOR
ROBERT M. O'BRIEN
PAUL A. FRANCIS
JOHN A. MCCARTHY
DONALD E. OUELLETTE
TERRENCE W. CARTER
DAVALEE G. NORTON
JOE MATTINA, JR.
MICHAEL C. MCCLOUGHAN
SERGIO D. CERDA
PAUL W. LANGNER
EDWIN M. STANTON
STEVEN M. DOSS
STEPHEN C. NESEL
GAIL A. DONNELLY
ROGER H. DEROCHE
JOSEPH M. JACOBS
GILBERT E. SENA
STANLEY M. DOUGLAS
MATTHEW B. CRAWLEY
DOUGLAS A. MCCANN
JAY G. MANIK
JAMES C. HOWE
JUDITH E. KEENE
PHILIP H. SULLIVAN
LANCE L. BARDO
ERIC B. BROWN
DAVID W. KRANKING
JONATHAN S. KEENE
STEPHEN C. DUCA
DARRELL E. MILBURN
SCOTT L. KRAMMES

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. BRETT M. DULA, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES F. RECORD, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. THAD A. WOLFE, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. WILLIAM WELSER III, 000–00–0000, REGULAR AIR FORCE.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR PROMOTION IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be brigadier general

COL. BETTYE H. SIMMONS, 000–00–0000, U.S. ARMY.

THE FOLLOWING-NAMED MEDICAL CORPS COMPETITIVE CATEGORY OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be brigadier general

COL GEORGE J. BROWN, 000–00–0000, U.S. ARMY.
COL. ROBERT F. GRIFFIN, 000–00–0000, U.S. ARMY.

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, UNITED STATES CODE:

To be colonel

MEDICAL SERVICE CORPS

ANTHONY C. AIKEN, 000–00–0000
ALLEN F. ALMQUIST, 000–00–0000
JOHN A. BECKER, 000–00–0000
FRANK E. BLAKELY, 000–00–0000
LARRY E. CAMPBELL, 000–00–0000
TERRY D. CARROLL, 000–00–0000
FELIPE CASSO, 000–00–0000
RICHARD DANIELSON, 000–00–0000
DAVID L. DANLEY, 000–00–0000
JEFFREY W. DAVIES, 000–00–0000
LEE I. DRIGGERS, 000–00–0000
RONALD J. DUNN, 000–00–0000
DAVID B. GORSKI, 000–00–0000
JAMES R. GREENWOOD, 000–00–0000
JAMES B. HAWKINS, 000–00–0000
DORIS H. HENDERSON, 000–00–0000
JOHN P. HIGHTOWER, 000–00–0000
MARJORIE A. JACKSON, 000–00–0000
GARY K. KAGAWA, 000–00–0000
GEORGE L. KAUFFMAN, 000–00–0000
JONATHAN M. KISSANE, 000–00–0000
DAVID A. KOTZIN, 000–00–0000
RICHARD L. KUSSMAN, 000–00–0000
LARRY W. MATTHEWS, 000–00–0000
PHILIP X. NAVIN, 000–00–0000
GENNADY E. PLATOFF, 000–00–0000
HARRY J. QUEBBEMAN, 000–00–0000
MARK A. QUINN, 000–00–0000
NANCY K. RAIHA, 000–00–0000
ROBERT R. ROLAND, 000–00–0000
JIMMY SANDERS, 000–00–0000
CHARLES S. SERIO, 000–00–0000
TERRY P. SHANAHAN, 000–00–0000
ROBERT E. STIENEKER, 000–00–0000
STANFORD K. SUR, 000–00–0000
RAY J. TERRILL, 000–00–0000
ROBERT W. THOMAS, 000–00–0000

MEDICAL SPECIALIST CORPS

To be colonel

JEAN M. BRYAN, 000–00–0000
BONNIE J. DEMARS, 000–00–0000
KRISTIN D. KING, 000–00–0000

VETERINARY CORPS

To be colonel

LYNN J. ANDERSON, 000–00–0000
CLYDE B. HOSKINS, 000–00–0000
WILLIAM INSKEEP, II, 000–00–0000
CREIGHTON J. TRAHAN, 000–00–0000

NURSE CORPS

To be colonel

NIRANJAN BALLIRAM, 000–00–0000
DAVID T. BOLESH, 000–00–0000
DIANE L. BROWN, 000–00–0000
ERLINDA D. CONNORS, 000–00–0000
ROSEMARIE EDINGER, 000–00–0000
CAROLIN EITELJORGE, 000–00–0000
SUSAN R. FOX, 000–00–0000
GWENDOLYN FRYER, 000–00–0000
PATRICIA M. GILL, 000–00–0000
EILEEN A. HEMMAN, 000–00–0000
JANIS L. HOFMAN, 000–00–0000
JEANETTE S. JAMES, 000–00–0000
SALLIE J. JOLLY, 000–00–0000
WILLIAM T. KOEHLER, 000–00–0000
STEPHANIE MARSHALL, 000–00–0000
JOEL M. MESSING, 000–00–0000
GEORGE F. NUSSBAUM, 000–00–0000
VICKI R. ODEGAARD, 000–00–0000

AIDA R. PEREZ, 000–00–0000
JILL S. PHILLIPS, 000–00–0000
JEANNE PICARIELLO, 000–00–0000
CONSTANCE L. SCOTT, 000–00–0000
WENDY S. SWAN, 000–00–0000
JOYCE M. WALLER, 000–00–0000
DONNA M. WENDT, 000–00–0000
JENNIFER T. WILBER, 000–00–0000
KAREN L. WILKINS, 000–00–0000

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, UNITED STATES CODE. THE OFFICERS IDENTIFIED BY AN ASTERISK (*) ARE ALSO NOMINATED FOR REGULAR APPOINTMENT IN ACCORDANCE WITH SECTION 531 OF TITLE 10, UNITED STATES CODE:

ARMY COMPETITIVE

To be major

DAVID L. ABBOTT, 000–00–0000
*GEORGE A. ABELON, 000–00–0000
*JOSEPH E. ACREE, 000–00–0000
*BRUCE D. ADAMS, 000–00–0000
JAMES W. ADAMS, 000–00–0000
*TIMOTHY C. AGAZIO, 000–00–0000
*ALFRED B. AGEE, 000–00–0000
*ALFONSO J. AHUJA, 000–00–0000
MICHAEL C. AID, 000–00–0000
ROBERT B. AKAM, 000–00–0000
ELTON D. AKINS, 000–00–0000
*ERIC S. ALBERT, 000–00–0000
*GARY D. ALEXANDER, 000–00–0000
*JEFFREY ALEXANDER, 000–00–0000
*ROBERT E. ALI, 000–00–0000
*BARRETT S. ALLEN, 000–00–0000
JOHN T. ALLEN, 000–00–0000
JOHN W. ALLEN, 000–00–0000
MICHAEL C. ALLEN, 000–00–0000
MICHAEL J. ALLEN, 000–00–0000
REGINALD E. ALLEN, 000–00–0000
OLIVER B. ALT, 000–00–0000
*PETER ALVAREZ, 000–00–0000
*JOHN J. ALWINE, 000–00–0000
FRANZ J. AMANN, 000–00–0000
*ABRAHAM ANDERSON, 000–00–0000
DAVID E. ANDERSON, 000–00–0000
*JOSEPH A. ANDERSON, 000–00–0000
*MARCUS A. ANDERSON, 000–00–0000
*RANDAL S. ANDERSON, 000–00–0000
RICHARD J. ANDERSON, 000–00–0000
*ZELMA A. ANDERSON, 000–00–0000
*BRENDA A. ANDREWS, 000–00–0000
*DARREL W. ANDREWS, 000–00–0000
*GUY B. ANDREWS, 000–00–0000
JAMES T. ANIBAL, 000–00–0000
PATRICK ANTONIETTI, 000–00–0000
ARTHUR J. ARAGON, 000–00–0000
DENISE A. ARCHULETA, 000–00–0000
JUAN L. ARCOCHA, 000–00–0000
DAVID C. ARE, 000–00–0000
CHRISTOPHER S. ARGO, 000–00–0000
MICHAEL A. ARMSTEAD, 000–00–0000
MARK R. ARN, 000–00–0000
HENRY A. ARNOLD, 000–00–0000
JOHN K. ARNOLD I, 000–00–0000
JOHN A. ARUZZA, 000–00–0000
*JAMES M. ASH, 000–00–0000
JOHN C. ASHBAUGH, 000–00–0000
*JAMES W. ATKINSON, 000–00–0000
*MARY E. ATKINSON, 000–00–0000
GARY L. AUEN, 000–00–0000
*REGGIE L. AUSTIN, 000–00–0000
*MICHAEL G. AYCOCK, 000–00–0000
*STEPHEN M. BADGER, 000–00–0000
*RICARDO E. BAEZ, 000–00–0000
*CALVIN D. BAILEY, 000–00–0000
*CHRISTOPHER BAILEY, 000–00–0000
*CASEY E. BAIN, 000–00–0000
STAN D. BAIN, 000–00–0000
MICHAEL K. BAISDEN, 000–00–0000
CHRISTOPHER BAKER, 000–00–0000
DOUGLAS L. BAKER, 000–00–0000
GREGORY P. BAKER, 000–00–0000
*JANICE M. BAKER, 000–00–0000
JOHN W. BAKER, 000–00–0000
TERRY L. BALDWIN, 000–00–0000
*WILLIAM E. BALES, 000–00–0000
JAMES F. BALL, 000–00–0000
SHAWN D. BALL, 000–00–0000
CHRISTOPHER BALLARD, 000–00–0000
*JEFFERY A. BALLMER, 000–00–0000
WILLIAM P. BANKER, 000–00–0000
JAMES B. BANKSTON, 000–00–0000
MICHAEL J. BARBEE, 000–00–0000
JUNIO O. BARBER, 000–00–0000
ROBERT BARINOWSKI, 000–00–0000
*MARVIN BARKER, 000–00–0000
*MARKS S. BARNES, 000–00–0000
*RANDALL T. BARNES, 000–00–0000
WILLIAM M. BARNETT, 000–00–0000
*PHILIP S. BASILE, 000–00–0000
DAVID E. BASS, 000–00–0000
DAVID E. BASSETT, 000–00–0000
JEROLD D. BASTIAN 000–00–0000
MICHAEL A. BAUMANN 000–00–0000
*EARNEST A. BAZEMORE 000–00–0000
BRYAN S. BEAN 000–00–0000
MICHAEL D. BEAN 000–00–0000
*JAMES E. BEASLEY 000–00–0000
*JONATHAN D. BEASLEY 000–00–0000
PETER B. BECHTEL 000–00–0000
BRADLEY A. BECKER 000–00–0000
CRAIG I. BELL 000–00–0000
*SHELBY E. BELL 000–00–0000
*GERALD E. BELLIVEAU 000–00–0000
*GREGORY S. BENDA 000–00–0000
*WILLIAM J. BENDER 000–00–0000
LEITH A. BENEDICT 000–00–0000
EARNEST C. BENNER 000–00–0000
*ERIC H. BENNETT 000–00–0000
*JOSEHP A. BENNETT 000–00–0000
*LISA C. BENNETT 000–00–0000
JOHN G. BENNIS 000–00–0000
*CHRISTOPHER BENTLEY 000–00–0000
*STEWART W. BENTLEY 000–00–0000
RANDALL BENTZ 000–00–0000
*BRUCE V. BERARDINI 000–00–0000
JACOB L. BERLIN 000–00–0000
TIMONTHY BERNSTEIN 000–00–0000
*MICHAEL C. BERRY 000–00–0000
JOHN E. BESSLER 000–00–0000
*RICHARD A. BEZOLD 000–00–0000
ROB A. BIEDERMANN 000–00–0000
CLINTON R. BIGGER 000–00–0000
*MARTIN G. BINDER 000–00–0000
ALLEN E. BIRD 000–00–0000
CARL D. BIRD 000–00–0000
GARRY P. BISHOP 000–00–0000
*ROBERT G. BLACK 000–00–0000
BOBBY F. BLACKWELL 000–00–0000
MARLON D. BLOCKER 000–00–0000
MICHAEL BOEDING 000–00–0000
*EVELYN R. BOETTGER 000–00–0000
*MARK O. BOGGS 000–00–0000
MITCHEL BOHNSTEDT 000–00–0000
JOHN E. BOKOR 000–00–0000
*MICHAEL D. BOLLUYT 000–00–0000
*STEVEN S. BONK 000–00–0000
*JOHN R. BONNER 000–00–0000
BRADLEY W. BOOTH 000–00–0000
JOSEPH L. BORDERS 000–00–0000
*JOHN J. BOREK 000–00–000
KEVEN J. BOSTICK 000–00–0000
SHARON W. BOWERS 000–00–0000
RICHARD F. BOWYER 000–00–0000
ALLAN S. BOYCE, 000–00–0000
*CRIS J. BOYD, 000–00–0000
*ALLEN D. BOZARTH, 000–00–0000
WILLIE L. BRADLEY, 000–00–0000
CARL J. BRADSHAW, 000–00–0000
*GARRY L. BRANCH, 000–00–0000
*JAMES M. BRANDON, 000–00–0000
*PORT BRANDONMOCRAW, 000–00–0000
STEVEN BRATINA, 000–00–0000
DARCY A. BREWER, 000–00–0000
*DANIEL T. BRICK, 000–00–0000
DAVID D. BRIGGS, 000–00–0000
*RICHARD H. BRISBON, 000–00–0000
MATTHEW W. BRPADDIS, 000–00–0000
ALFRED L. BROOKS, 000–00–0000
*MICHAEL J. BROOKS, 000–00–0000
*SCOTT A. BROSCH, 000–00–0000
*JAMES M. BROSKY, 000–00–0000
DAVID J. BROST, 000–00–0000
MICHAEL BROUILLETTE, 000–00–0000
*CHARLES R. BROWN, 000–00–0000
*CHRISTOPHER BROWN, 000–00–0000
FREDRICK BROWN, 000–00–0000
*GREGORY S. BROWN, 000–00–0000
JAMES BROWN, 000–00–0000
PAUL D. BROWN, 000–00–0000
RONALD E. BROWN, 000–00–0000
*TIMONTHY J. BROWN, 000–00–0000
TODD A. BROWNE, 000–00–0000
*STEVEN P. BROWNING, 000–00–0000
*NORMAN E. BRUBAKER, 000–00–0000
*ROBERT M. BRUCE, 000–00–0000
VINCENT D. BRYANT, 000–00–0000
LISA A. BUCHALSKI, 000–00–0000
BRENT J. BUCHHOLZ, 000–00–0000
TIMONTHY BUENNEMYER, 000–00–0000
JOHN W. BULLION, 000–00–0000
*ANDREW F. BURCH, 000–00–0000
RENE G. BURGESS, 000–00–0000
*JERHALD A. BURGOA, 000–00–0000
MICHAEL P. BURKE, 000–00–0000
*BRETT R. BURLAND, 000–00–0000
PETER M. BURNHAM, 000–00–0000
STEPHEN T. BURNS, 000–00–0000
*GARY W. BURT, 000–00–0000
PAUL S. BURTON, 000–00–0000
*LOUIS S. BUSBY, 000–00–0000
HANS E. BUSH, 000–00–0000
*DAVID A. BUSINGER, 000–00–0000
*MATTHEW C. BUTLER, 000–00–0000
GREGORY K. BUTTS, 000–00–0000
RICHARD M. CABREY, 000–00–0000
SAMUEL M. CACCAMO, 000–00–0000
GRETCHEN CADWALLADER, 000–00–0000
RONALD D. CAFFEE, 000–00–0000
PAUL L. CAL, 000–00–0000
*ELIZABETH CALDWELL, 000–00–0000
JON D. CALL, 000–00–0000
MAUREEN C. CALLAN, 000–00–0000
CHARLOTTE CALLARI, 000–00–0000
DEAN C. CALONDER, 000–00–0000
*LUIS A. CAMACHO, 000–00–0000
*ELIJAH L. CAMPBELL, 000–00–0000
*ROBERT K. CAMPBELL, 000–00–0000
SCOTT A. CAMPBELL, 000–00–0000
*JOSEPH C. CANSLER, 000–00–0000
*LORRAINE CANTOLINA, 000–00–0000
MILES CANTRALL, 000–00–0000
SUE CANTU, 000–00–0000
CHRISTOPHER CARLSON, 000–00–0000
*GARY S. CARLSON, 000–00–0000
RICHARD E. CARLSON, 000–00–0000
*DAVID H. CARLTON, 000–00–0000
*DWAYNE CARMAN, JR., 000–00–0000
*MARK D. CARMODY, 000–00–0000
JACK M. CARNEY, 000–00–0000
STEVEN E. CARRIGAN, 000–00–0000
CEDRIC O. CARROLL, 000–00–0000
*FLORENTINO CARTER, 000–00–0000
GLORIA J. CARTER, 000–00–0000
ROSEMARY M. CARTER, 000–00–0000
MARK A. CARUSO, 000–00–0000
*THOMAS L. CASCIARO, 000–00–0000
OLIVER S. CASS, 000–00–0000
JAMES P. CASSELLA, 000–00–0000
*THOMAS P. CASSIDY, 000–00–0000
BYRON T. CASTLEMAN, 000–00–0000
JOHN G. CASTLES, 000–00–0000
NICHOLAS CASTRINOS, 000–00–0000
MICHAEL P. CAVALIER, 000–00–0000
*ROBERT J. CEJKA, JR., 000–00–0000
PAUL G. CEPEDA, 000–00–0000
*MICHAEL A. CEROLI, 000–00–0000
JOSEPH L. CHACON, 000–00–0000
KIM E. CHAMBERLAIN, 000–00–0000
PAUL W. CHAMBERLAIN, 000–00–0000
KENNETH A. CHANCE, 000–00–0000
CHRISTOPH CHANDLER, 000–00–0000
MICHAEL R. CHANDLER, 000–00–0000
DAVID A. CHAPMAN, 000–00–0000
JAMES J. CHAPMAN, 000–00–0000
*ALLEN M. CHAPPELL, 000–00–0000
MARK E. CHAPPELLE, 000–00–0000
STEVEN CHARBONNEAU, 000–00–0000
*ROOSEVELT CHARLES, 000–00–0000
*JOHN M. CHARVAT, 000–00–0000
TRACY E. CHAVIS, 000–00–0000
*ROBERT G. CHEATHAN, 000–00–0000
RAFAEL A. CHECA, 000–00–0000
EDWARD A. CHESKY, 000–00–0000
JAMES H. CHEVALLIER, 000–00–0000
*JAMES S. CHILDRESS, 000–00–0000
PAUL R. CHLEBO, 000–00–0000
*WILLIAM CHURCHWELL, 000–00–0000
*CHRISTOPHER CIMINO, 000–00–0000
THOMAS M. CIOPPA, 000–00–0000
ROBERT A. CLAFLIN, 000–00–0000
WILLIAM P. CLAPPIN, 000–00–0000
JAMES H. CLARK, 000–00–0000
*RUSSELL P. CLARK, 000–00–0000
FREDERICK S. CLARKE, 000–00–0000
*MATTHEW T. CLARKE, 000–00–0000
MARK F. CLEMENT, 000–00–0000
DANIEL C. CLEMENS, 000–00–0000
*RICHARD CLEVELAND, 000–00–0000
*EMMA L. CLOPTON, 000–00–0000
*ALAN A. CLUFF, 000–00–0000
MARK B. COATS, 000–00–0000
CLAYTON W. COBB, 000–00–0000
*THOMAS M. COBURN, 000–00–0000
*MARCUS A. COCHRAN, 000–00–0000
NICHOLA CODDINGTON, 000–00–0000
WILLIAM J. COJOCAR, 000–00–0000
*BYRON P. COLE, 000–00–0000
MARYLEE COLE, 000–00–0000
*RICHARD D. COLLEY, 000–00–0000
*JOHN E. COLLIE, 000–00–0000
*BRUCE D. COLLIER, 000–00–0000
JOHN K. COLLISON, 000–00–0000
RNRIQUE COLON, 000–00–0000
JOSE R. COLONDRES, 000–00–0000
*AARON D. COMBS, 000–00–0000
PEGGY C. COMBS, 000–00–0000
RAY A. COMBS I, 000–00–0000
GEORGE E. CONE, 000–00–0000
DARYL L. CONKLIN, 000–00–0000
*JOSEPH R. CONNELL, 000–00–0000
*MARK W. CONNELLY, 000–00–0000
*MARCO C. CONNERS, 000–00–0000
ANDRES CONTRERAS, 000–00–0000
JAY J. CONWAY, 000–00–0000
JAMES L. COOK, 000–00–0000
*JULIA C. COOK, 000–00–0000
CRAIG A. COOPER, 000–00–0000
*MICHAEL COOPER, 000–00–0000
GEORGE R. COPELAND, 000–00–0000
JEFFREY C. CORBETT, 000–00–0000
*MAX J. CORNEAU, 000–00–0000
*ROBERT E. CORNELIUS, 000–00–0000
BLA CORNELLDECHERT, 000–00–0000
LEONARD A. COSBY, 000–00–0000
*EDWIN T. COTTON, 000–00–0000
*PETER L. COUGHLIN, 000–00–0000
*WILLIAM J. COULTRUP, 000–00–0000
*CHARLES E. COURSEY, 000–00–0000

*MICHAEL COUTURIER, 000–00–0000
*LESLIE J. COWAN, 000–00–0000
*AUDDIE L. COX, 000–00–0000
*JAMES A. COX, 000–00–0000
*NATHANIEL C. COXON, 000–00–0000
*PAUL D. COYLE, 000–00–0000
*JAMES E. CRAFT, 000–00–0000
*MICHAEL P. CRALL, 000–00–0000
*LISA K. CRAMER, 000–00–0000
*PAUL D. CRAMER, 000–00–0000
ANTHONY K. CRAWFORD, 000–00–0000
BOBBY G. CRAWFORD, 000–00–0000
BRUCE T. CRAWFORD, 000–00–0000
*LINDA L. CRAWFORD, 000–00–0000
*WAYNE M. CRAWFORD, 000–00–0000
LUIS B. CRESPO, 000–00–0000
MARK S. CREVISTON I, 000–00–0000
JANE E. CRICHTON, 000–00–0000
DAVID W. CRITICS, 000–00–0000
MAUREEN W. CROSS, 000–00–0000
*DAVID A. CROWE, 000–00–0000
MELVIN CRUTCHER, 000–00–0000
*ALBERT CRUZ, 000–00–0000
ANTHONY CRUZ, 000–00–0000
*MARI CUELLARGARCIA, 000–00–0000
ROBERT M. CUMBIE, 000–00–0000
BRIAN K. CUMMINGS, 000–00–0000
*JEFFRY CUNNINGHAM, 000–00–0000
*MICHAEL J. CURRY, 000–00–0000
KENT C. CURTSINGER, 000–00–0000
*ERIC D. CUSICK, 000–00–0000
*DEBORAH M. CUSIMANO, 000–00–0000
TRENT R. CUTHBERT, 000–00–0000
*JOHN R. DACEY, 000–00–0000
BEVAN R. DALEY, 000–00–0000
*JAMES E. DALGLEISH, 000–00–0000
*AUSTIN L. DALTON, 000–00–0000
*GLENN J. DANIELSON, 000–00–0000
*RACHEL DANIELSON, 000–00–0000
JAMES W. DANNA, 000–00–0000
*KIRBY M. DARAS, 000–00–0000
DARRYL C. DARDEN, 000–00–0000
MARK C. DARDEN, 000–00–0000
CHRISTOPHER E. DASH, 000–00–0000
ANNE R. DAUGHERTY, 000–00–0000
*DAVID L. DAVENPORT, 000–00–0000
*JACKIE W. DAVID, 000–00–0000
*JEFFREY L. DAVIDSON, 000–00–0000
MARK C. DAVIDSON, 000–00–0000
SUSAN A. DAVIDSON, 000–00–0000
JEFFREY S. DAVIES, 000–00–0000
DAWNE M. DAVIS, 000–00–0000
*JOHN B. DAVIS, 000–00–0000
*JULIUS W. DAVIS, 000–00–0000
*QUINCY L. DAVIS, 000–00–0000
RONALD B. DAVIS, 000–00–0000
*SAMUEL J. DAVIS, 000–00–0000
*STEVAN A. DAVIS, 000–00–0000
MATTHEW Q. DAWSON, 000–00–0000
*MAURICE DAWSON, 000–00–0000
JEFFREY E. DAY, 000–00–0000
*TANYA J. DEAN, 000–00–0000
*ANTHONY E. DEANE, 000–00–0000
CARL E. DEANS, 000–00–0000
*STEVEN W. DECATO, 000–00–0000
ANGELO L. DECECCO, 000–00–0000
CRAIG A. DEDECKER, 000–00–0000
PEDRO DEJESUS, 000–00–0000
PATRICK J. DELANEY, 000–00–0000
DENISE A. DELAWTER, 000–00–0000
JOSE L. DELGADO, 000–00–0000
JOHN DELLAGIUSTINA, 000–00–0000
ARTURO DELOSSANTOS, 000–00–0000
DAVID B. DEMASSEY, 000–00–0000
*ROBERT H. DEMEYER, 000–00–0000
*MICHAEL L. DENNIS, 000–00–0000
DARRYL L. DERR, 000–00–0000
KATHERINE DERRICK, 000–00–0000
WILLIAM M. DERRICK, 000–00–0000
BRIAN M. DETOY, 000–00–0000
ALISSA B. DEUEL, 000–00–0000
*MARK A. DEWHURST, 000–00–0000
*BRIAN J. DIAZ, 000–00–0000
*JOSEPH J. DICHAIRO, 000–00–0000
*JAMES F. DICKENS, 000–00–0000
JAMES H. DICKINSON, 000–00–0000
FLOYD S. DICKSON, 000–00–0000
*SHANE DIETRICH, 000–00–0000
*CLIFFORD B. DILL, 000–00–0000
JEFFREY W. DILL, 000–00–0000
PHILIP D. DILLARD, 000–00–0000
KENNETH J. DILLER, 000–00–0000
PAUL A. DINKEL, 000–00–0000
ADDISON V. DISHMAN, 000–00–0000
*WALTER D. DISNEY, 000–00–0000
LILLIAN A. DIXON, 000–00–0000
*MARK R. DIXON, 000–00–0000
*ANDREW J. DODSON, 000–00–0000
TODD L. DODSON, 000–00–0000
ROBERT C. DOERER, 000–00–0000
*DANIEL J. DONOVAN, 000–00–0000
*KATHLEEN M. DORAN, 000–00–0000
*RANDAL E. DORF, 000–00–0000
DEAN E. DORKO, 000–00–0000
*LARY P. DORSETT, 000–00–0000
BRIAN L. DOSA, 000–00–0000
*DAVID A. DOUGHERTY, 000–00–0000
TERRY L. DOUGLAS, 000–00–0000
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THOMAS C. STEFFENS, 000–00–0000
*GEORGE E. STEIGER, 000–00–0000
SHELLY STELLWAGEN, 000–00–0000
EDWARD STEPANCHUK, 000–00–0000
*BOYCE STEPHENS, 000–00–0000
VICTOR STEPHENSON, 000–00–0000
*MARGARET STERMERCOX, 000–00–0000
JERRY D. STEVENSON, 000–00–0000
*MICHAEL R. STEVES, 000–00–0000
*DEANNA M. STEWART, 000–00–0000
JAMES E. STEWART, 000–00–0000
*MONTIETH H. STEWART, 000–00–0000
NAPOLEON W. STEWART, 000–00–0000
*STEPHEN K. STIRLING, 000–00–0000
JOHN P. STOKES, 000–00–0000
MICHAEL STOLLENWERK, 000–00–0000
JANICE M. STONE, 000–00–0000
*ROCKY D. STONE, 000–00–0000
MICHAEL P. STONEHAM, 000–00–0000
CURT E. STOVER, 000–00–0000
*ROBERT B. STREET, 000–00–0000
*TERRY L. STREETON, 000–00–0000
*GEORGE P. STROBOT, 000–00–0000
JACK E. STURGEON, 000–00–0000
TIMOTHY S. SUGHRUE, 000–00–0000
*DANIEL F. SULLIVAN, 000–00–0000
ROBERT P. SULLIVAN, 000–00–0000
BRIAN P. SUNDIN, 000–00–0000
*THOMAS B. SUPPLEE, 000–00–0000
JOHN R. SURDU, 000–00–0000
MICHAEL J. SWANSON, 000–00–0000
*JAMES F. SWITZER, 000–00–0000
WILLIAM D. SWOPE, 000–00–0000
ZSOLT SZENTKIRALYI, 000–00–0000
*ARPAD J. SZOBOSZLAY, 000–00–0000
IVAR S. TAIT, 000–00–0000
*HUGH B. TALLEY, 000–00–0000
DOUGLAS A. TAMILIO, 000–00–0000
*ALFRED C. TANNER, 000–00–0000
KENNETH R. TARCZA, 000–00–0000
*JEROME M. TARUTANI, 000–00–0000
BRENDA F. TATE, 000–00–0000
DAVID B. TAYLOR, 000–00–0000
HAROLD W. TAYLOR, 000–00–0000
KIP P. TAYLOR, 000–00–0000
KURT L. TAYLOR, 000–00–0000
*ROGER M. TAYLOR, 000–00–0000
SCOTT R. TAYLOR, 000–00–0000
MICHAEL J. TEAGUE, 000–00–0000
*PAUL S. TEAGUE, 000–00–0000
*RORY K. TEGIMEIER, 000–00–0000
TURNER B. THACKSTON, 000–00–0000
*NEIL R. THIBAULT, 000–00–0000
PHILIP R. THIELER, 000–00–0000
DANIEL L. THOMAS, 000–00–0000
GEORGE THOMAS, JR., 000–00–0000
*NELLO A. THOMAS, 000–00–0000
*PATTON W. THOMAS, 000–00–0000
*ROUSELL THOMAS, JR., 000–00–0000
STEVEN N. THOMAS, 000–00–0000
*CHRISTOPH THOMPSON, 000–00–0000
LARRY M. THOMPSON, 000–00–0000
*PRESTON THOMPSON, 000–00–0000
ROBERT L. THOMPSON, 000–00–0000
JOHN C. THOMSON, 000–00–0000
LEO R. THORNE, 000–00–0000
*TIMOTHY J. THURMOND, 000–00–0000
EDWIN R. TIFRE, 000–00–0000
DAVID E. TIGHE, 000–00–0000
*RYAN L. TILLERY, 000–00–0000
JOSEPH A. TIRONE, 000–00–0000
RONALD C. TODD, 000–00–0000
KAREN D. TOMLIN, 000–00–0000
*DANIEL W. TOMLINSON, 000–00–0000
*GARY W. TONEY, 000–00–0000
SHERI L. TONNER, 000–00–0000
*CHARLES M. TOROK, 000–00–0000
*FERNANDO L. TORRENT, 000–00–0000
*DOUGLAS M. TOSTRUD, 000–00–0000
TOMMY J. TRACY, 000–00–0000
*DAVID M. TRESHANSKY, 000–00–0000
*VENCENT W. TRIPP, 000–00–0000
ARTHUR N. TULAK, 000–00–0000
*AMY F. TURLUCK, 000–00–0000
CURTIS W. TURNER, 000–00–0000
*LARRY N. TURNER, 000–00–0000
RANDY L. TURNER, 000–00–0000
*RICHARD J. TURNER, 000–00–0000
FRANCIS J. TWAROG, 000–00–0000
*STEVEN C. ULLOM, 000–00–0000
IRELAND S. UPCHURCH, 000–00–0000
GREGG UPSHAW, 000–00–0000
*LENNIE R. UPSHAW, 000–00–0000
CHRISTOPHER UPSON, 000–00–0000
*JOE A. USREY, 000–00–0000
GREGORY E. VALLET, 000–00–0000
ROBERT S. VANBEUGE, 000–00–0000
*MICHAEL VANDERBOGART, 000–00–0000
*DONALD VANDERGRIFF, 000–00–0000
*DIANE M. VANDERPOT, 000–00–0000
ROBERTO L. VAZQUEZ, 000–00–0000
ALEJANDRO J. VEGA, 000–00–0000
DAVID VELAZQUEZ, 000–00–0000
DAVID M. VENEZIA, 000–00–0000
*BRUCE C. VERDE, 000–00–0000
*RICHARD S. VICK, 000–00–0000
ARMANDO R. VIGIL, 000–00–0000
ALFRED J. VIGNA, 000–00–0000
JAMES A. VIOLA, 000–00–0000
*BERNARD VISHNESKI, 000–00–0000
LOUIS A. VOGLER, 000–00–0000
TIMOTHY A. VUONO, 000–00–0000
STEVEN L. WADE, 000–00–0000
SCOTT T. WAGGONER, 000–00–0000
ERIC C. WAGNER, 000–00–0000
MARC A. WAGNER, 000–00–0000
DOUGLAS L. WAHLERT, 000–00–0000
*GLENN R. WALKER, 000–00–0000
*WILLIAM E. WALPOLE, 000–00–0000
ERIC A. WALTERS, 000–00–0000
ROBERT P. WALTERS, 000–00–0000
MARK E. WALWORTH, 000–00–0000
DARRELL A. WARD, 000–00–0000
*DARRYL E. WARD, 000–00–0000
DAVID L. WARD, 000–00–0000
*JESSE S. WARD, 000–00–0000
MICHAEL V. WARREN, 000–00–0000
THOMAS F. WASHER, 000–00–0000
ANDREW WASHINGTON, 000–00–0000
VERSALL WASHINGTON, 000–00–0000
JOHN D. WASON, 000–00–0000
SCOTT T. WATERMAN, 000–00–0000
BILLIE S. WATTS, 000–00–0000
*CHARLES D. WATTS, 000–00–0000
BRIAN K. WEATHERLOW, 000–00–0000
*CHARLES B. WEBBER, 000–00–0000
WILLIAM WEIGESHOFF, 000–00–0000
HOWARD L. WEINSTOCK, 000–00–0000
SCOTT C. WELIVER, 000–00–0000
*CRAIG A. WELLS, 000–00–0000
JOHN M. WENDEL, 000–00–0000
ERIC P. WENDT, 000–00–0000
ANTHONY N. WENGER, 000–00–0000
*MICHAEL WESOLOWSKI, 000–00–0000
KATHRYN WESTBROOK, 000–00–0000
*MARVIN E. WESTEN, 000–00–0000
*CARY S. WESTIN, 000–00–0000
*JEFFREY H. WESTON, 000–00–0000
BRIAN R. WHALEN, 000–00–0000
*ROBERT P. WHALEN, 000–00–0000
*DAVID W. WHIPPLE, 000–00–0000
MARVIN S. WHITAKER, 000–00–0000
*ANDREW P. WHITE, 000–00–0000
*CLIFFORD T. WHITE, 000–00–0000
*DAVID J. WHITE, 000–00–0000
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*CHRISTOPHER WICKER, 000–00–0000
TRACY L. WICKHAM, 000–00–0000
KARL B. WIEDEMANN, 000–00–0000
ROBERT F. WIELER, 000–00–0000
MARK H. WIGGINS, 000–00–0000
*DAVID L. WILCOX, 000–00–0000
*GARY K. WILDS, 000–00–0000
*PHILIP G. WILKER, 000–00–0000
BRIAN L. WILLIAMS, 000–00–0000
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*GERALD E. WILLIAMS, 000–00–0000
JOE H. WILLIAMS, 000–00–0000
*RICHARD G. WILLIAMS, 000–00–0000
*STEVEN B. WILLIAMS, 000–00–0000
TASHA L. WILLIAMS, 000–00–0000
JEFFREY WILLIAMSON, 000–00–0000
*RANDALL WILLIAMSON, 000–00–0000
DONALD G. WILSEY, 000–00–0000
BELFORD S. WILSON, 000–00–0000
*DANIEL A. WILSON, 000–00–0000
*GREGORY K. WILSON, 000–00–0000
GREGORY R. WILSON, 000–00–0000
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*JOHN S. WILSON, 000–00–0000
*LATINA L. WILSON, 000–00–0000
*RONALD L. WILSON, 000–00–0000
THOMAS M. WILSON, 000–00–0000
JEFFREY S. WILTSE, 000–00–0000
*WILLIAM L. WIMBISH, 000–00–0000
*LOUIS B. WINGATE, 000–00–0000
KARL E. WINGENBACH, 000–00–0000
*CEDRIC T. WINS, 000–00–0000
NATHALIE WISNESKI, 000–00–0000
*DAVID M. WITTY, 000–00–0000
SUSAN F. WOJCIK, 000–00–0000
*DOUGLAS J. WOLFE, 000–00–0000
*BRADLEY J. WOOD, 000–00–0000
*DONALD K. WOOD, 000–00–0000
TODD R. WOOD, 000–00–0000
*JOHN I. WOODBERY, 000–00–0000
*KENNETH C. WOODBURN, 000–00–0000
BRENDA WORTHINGTON, 000–00–0000
*ANTHONY O. WRIGHT, 000–00–0000
GEORGE G. WRIGHT, 000–00–0000
WILLIAM D. WUNDERLE, 000–00–0000
*PHILLIP B. WYLLIE, 000–00–0000
*DAVID WYRICK, 000–00–0000
OLIVER K. WYRTKI, 000–00–0000
*LAWRENCE Y. YAP, 000–00–0000
*JAMES M. YOCUM, 000–00–0000
*KRISTINA A. YOUNG, 000–00–0000
ROBERT G. YOUNG, 000–00–0000
DAVID A. YOUNGBERG, 000–00–0000
*EVA M. YOUNGDAHL, 000–00–0000
*STEVEN ZACHARCZYK, 000–00–0000
WILLIAM J. ZAHARIS, 000–00–0000
*MICHAEL T. ZARYCZNY, 000–00–0000
*STEPHEN ZGLINICKI, 000–00–0000
*MICHAEL V. ZIEBA, 000–00–0000
ADAM C. ZIEGLER, 000–00–0000
EDWARD W. ZIMMERMAN, 000–00–0000
*MARC L. ZIMMERMAN, 000–00–0000
NEAL O. ZIMMERMAN, 000–00–0000
RANDAL J. ZIMMERMAN, 000–00–0000
JOHN L. ZORNICK, 000–00–0000
SCOTT W. ZURSCHMIT, 000–00–0000
X0154
*X2001
X0082
X0596
*X1613
X2444

IN THE NAVY

THE FOLLOWING-NAMED LIEUTENANTS IN THE STAFF CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF LIEUTENANT COMMANDER, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

MEDICAL CORPS OFFICERS

To be lieutenant commander

WILLIAM D. AGERTON, 000–00–0000
MARC L. ALESSANDRIA, 000–00–0000
BRIAN A. ALEXANDER, 000–00–0000
MIR B. ALI, 000–00–0000
CORINNE J. ANCONA-YOUNG, 000–00–0000
DAVID W. BAHL, 000–00–0000
EDUARDO J. BALBONA, 000–00–0000

THOMAS A. BALCOM, 000–00–0000
STEVEN L. BANKS, 000–00–0000
CHRISTOPHER J. BASHORE, 000–00–0000
STEVEN L. BASKERVILLE, 000–00–0000
MICHAEL B. BAUER, 000–00–0000
SHIUYUEH L. BAXTER, 000–00–0000
DAVID A. BEARD, 000–00–0000
BRUCE A. BECKER, 000–00–0000
DAVID R. BIERER, 000–00–0000
NANCY M. BISHOP, 000–00–0000
CHARLES D. BISSELL, 000–00–0000
KENT A. BLADE, 000–00–0000
CHRISTOPHER B. BOOKOUT, 000–00–0000
THOMAS L. BOSSHARDT, 000–00–0000
PHILLIP M. BOUTERSE, 000–00–0000
PATRICK H. BOWERS, 000–00–0000
GLORIA BOWLES-JOHNSON, 000–00–0000
PATRICK K. BOYLE, 000–00–0000
JEFFREY C. BROWN, 000–00–0000
JAMES E. BUNKER, 000–00–0000
STEPHEN W. BURGHER, 000–00–0000
RAFAEL A. CABRERA, 000–00–0000
JOSEPH C. CAMPBELL, 000–00–0000
ALEXANDER F. CARDENAS, 000–00–0000
MATTHEW A. CARLBERG, 000–00–0000
JANIS R. CARLTON, 000–00–0000
PHILIP D. CARON, 000–00–0000
JEFFREY S. CARSTENS, 000–00–0000
KEITH A. CARUSO, 000–00–0000
RHONDA S. CHANSON, 000–00–0000
HOLLACE D. CHASTAIN, 000–00–0000
JEFFREY W. CHUDOBA, 000–00–0000
JOHN P. CHUTE, 000–00–0000
DWAYNE C. CLARK, 000–00–0000
CHUNJAI L. CLARKSON, 000–00–0000
JEANNETTE M. CLEMONS, 000–00–0000
WILLIAM G. CLOWDIS, 000–00–0000
CATHERINE A. COUNARD, 000–00–0000
WILLIAM D. CRAIG, 000–00–0000
JOSEPH W. CUNNINGHAM, 000–00–0000
DAVID J. CZERTAK, 000–00–0000
DAVID J. DAMSTRA, 000–00–0000
ADRIAN M. DANCHENKO, 000–00–0000
THOMAS P. DAVIS, 000–00–0000
THOMAS E. DEBLOIS, 000–00–0000
DOUGLAS L. DECKER, 000–00–0000
RICHARD A. DELACRUZ, 000–00–0000
PAUL J. DEMARCO, 000–00–0000
PETER DEMARTINO, 000–00–0000
GREGORY L. DENISON, 000–00–0000
GERALD D. DENTON, 000–00–0000
JOAN C. DIMARZIO, 000–00–0000
MICHAEL J. DORLE, 000–00–0000
JAMES R. DUNNE, 000–00–0000
DAVID M. EBBITT, 000–00–0000
EDDY L. ECHOLS, 000–00–0000
MARK S. EDENS, 000–00–0000
ANN G. EGLAND, 000–00–0000
DAWN O. ELLIOTT, 000–00–0000
RICK A. FAIR, 000–00–0000
BRUCE J. FEIGELSON, 000–00–0000
CAROLYN J. FERRARI, 000–00–0000
NOEL FIGUEROA, 000–00–0000
MARSHA G. FINK, 000–00–0000
JAY W. FLOYD, 000–00–0000
ANNIE M. FONTAINE, 000–00–0000
MARK A. FONTANA, 000–00–0000
TERRANCE K. FOURNIER, 000–00–0000
ROBERT J. FRENCH, 000–00–0000
TONIANNE FRENCH, 000–00–0000
JULIE A. GAGE, 000–00–0000
MARCO V. GARCIAGALVEZ, 000–00–0000
AMY L. GARRETT, 000–00–0000
BRENDON L. GELFORD, 000–00–0000
JEFFREY S. GIBSON, 000–00–0000
MICHAEL F. GIITTER, 000–00–0000
MARTHA K. GIRZ, 000–00–0000
GARY S. GLUCK, 000–00–0000
ACEVEDO A. GONZALEZ, 000–00–0000
ELSIE T. GORDON, 000–00–0000
BRIAN J. GRADY, 000–00–0000
BRADLEY S. GRAHAM, 000–00–0000
MARY L. GREBENC, 000–00–0000
RICKY D. GROSS, 000–00–0000
SUZAN M. GROSS, 000–00–0000
BRADEN R. HALE, 000–00–0000
ROBERT J. HALLMARK, 000–00–0000
WILLIAM B. HAMMETT, 000–00–0000
ERIC T. HANSEN, 000–00–0000
AMIR E. HARARI, 000–00–0000
WENDELL D. HATCH, 000–00–0000
THOMAS J. HATTEN, 000–00–0000
SCOTT W. HELMERS, 000–00–0000
SARAJEAN M. HERRMANN, 000–00–0000
TAMARA J. HOOVER, 000–00–0000
JANE M. HOUTZ, 000–00–0000
STEVEN C. HOWE, 000–00–0000
JASON A. HUGHES, 000–00–0000
JOHN D. HUGHES, 000–00–0000
RANDALL N. HYER, 000–00–0000
MICHAEL A. ILLOVSKY, 000–00–0000
LISA INOUYE, 000–00–0000
CRAIG A. IRIYE, 000–00–0000
BETH R. JAKLIC, 000–00–0000
CHRISTOPHER J. JANKOSKY, 000–00–0000
KRISTOPHER L. JENSEN, 000–00–0000
ANDREW S. JOHNSON, 000–00–0000
JOHN L. KANE III, 000–00–0000
PAUL D. KANE, 000–00–0000
PATRICK J. KELTY, 000–00–0000
MICHELE A. KETTLES, 000–00–0000
SHAWN E. KIDDER, 000–00–0000
SUSAN M. KING, 000–00–0000
RICHARD A. KIRBY, 000–00–0000
CHRISTOPHER W. KOTTKE, 000–00–0000
JACQUELINE KOVACS, 000–00–0000
ALAN M. KRYSTAL, 000–00–0000
CHRISTOPHER C. LAGANKE, 000–00–0000
DOUGLAS R. LANDRY, 000–00–0000
DAVID M. LARSON, 000–00–0000
HOANG T. LE, 000–00–0000
LAWRENCE L. LECLAIR, 000–00–0000
WENDY LEE, 000–00–0000
KATHLEEN C. LEONE, 000–00–0000
CHRISTOPHER J. LEONI, 000–00–0000
IVAN K. LESNIK, 000–00–0000
DARRYL F. LESOSKI, 000–00–0000
EDGAR M. LEVINE, 000–00–0000
JOHN L. LINDSEY, 000–00–0000
ELIZABETH A. LIOTTA, 000–00–0000
KIMBERLY A. LONGMIRE, 000–00–0000
CHARLES E. LOPEZ, 000–00–0000
RODNEY D. LUCAS, 000–00–0000
ANDREW J. MACFADYEN, 000–00–0000
FREDERICK J. MADING, 000–00–0000
GAIL H.J. MANOS, 000–00–0000
ELIZABETH H. MASON, 000–00–0000
BYRON C. MAY, 000–00–0000
MICHAEL A. MAZZILLI, 000–00–0000
MICHAEL D. MC BETH, 000–00–0000
CHARLES E. MC CANNON, 000–00–0000
EDISON P. MC DANIELS, 000–00–0000
MICHAEL J. MC DERMOTT, 000–00–0000
ELIZABETH G. MC DONALD, 000–00–0000
JAMES V. MC DONALD, 000–00–0000
THOMAS J. MC DONALD, 000–00–0000
TERENCE M. MC GEE, 000–00–0000
ELIZABETH A.G. MC GUIGAN, 000–00–0000
BRIAN J. MC KINNON, 000–00–0000
SHAWN A. MENEFEE, 000–00–0000
DAVID S. MEZEBISH, 000–00–0000
JAMES M. MICK, 000–00–0000
MARGARET T. MIDDLEBROOK, 000–00–0000
MARK A. MIGHELL, 000–00–0000
BRADLEY T. MILLER, 000–00–0000
CHRISTOPHER J. MILLER, 000–00–0000
GREGORY A. MILLER, 000–00–0000
MAURICE M. MILLER, 000–00–0000
WILLIAM J. MILLIKEN, 000–00–0000
PETER B. MISHKY, 000–00–0000
MELANIE W. MITCHELL, 000–00–0000
MICHAEL E. MOLLERUS, 000–00–0000
WILLIAM L. MORSE, 000–00–0000
CYNTHIA M. MOSBRUCKER, 000–00–0000
KURT K. MUELLER, 000–00–0000
CLIFFORD C. MUNESES, 000–00–0000
ANTHONY J. MUSIELEWICZ, 000–00–0000
DARLENE MYLES, 000–00–0000
JOHN T. NEFF, 000–00–0000
JEFFREY D. NELSON, 000–00–0000
TRACY D. NELSON, 000–00–0000
JOHN C. NICHOLSON, 000–00–0000
DANIEL F. NOLTKAMPER, 000–00–0000
CHRISTOPHER W. NORWOOD, 000–00–0000
LOUIS D. OROSZ, 000–00–0000
CARY A. OSTERGAARD, 000–00–0000
JAMES R. PATE, 000–00–0000
WILLIAM J. PEKARSKE, 000–00–0000
TRUMAN L. PERRY, 000–00–0000
PAUL F. PIZZELLA, 000–00–0000
CYNTHIA A. POLO, 000–00–0000
JAMES M. POLO, 000–00–0000
THOMAS J. POSCH, 000–00–0000
MICHAEL H. POWER, 000–00–0000
SCOTT A. RABER, 000–00–0000
JOHN J. RAGAN, 000–00–0000
ERIC RASMUSSEN, 000–00–0000
JANET M. REYNOLDS, 000–00–0000
BENJAMIN K. RHEE, 000–00–0000
KEVIN P. RIEG, 000–00–0000
SCOTT K. RINEER, 000–00–0000
MICHAEL E. ROBIOLIO, 000–00–0000
RICARDO J. RODRIGUEZ, 000–00–0000
JAMES H. ROTHSTEIN, 000–00–0000
ANTHONY M. ROWEDDER, 000–00–0000
KEVIN L. RUSSELL, 000–00–0000
MARGARET A. RYAN, 000–00–0000
HOWARD J. SADINSKY, 000–00–0000
DONALD R. SALLEE, 000–00–0000
ANTHONY A. SANCHEZ, 000–00–0000
LOYCE J. SCHIMEK, 000–00–0000
MICHAEL S. SCHLEGEL, 000–00–0000
SUZANNE B. SCHOELCH, 000–00–0000
DOUGLAS R. SCHULTE, 000–00–0000
JAMES G. SCHWENDIG, 000–00–0000
MICHAEL E. SEIBERT, 000–00–0000
JOY Y. SELIGMAN, 000–00–0000
DAVID A. SEVERANCE, 000–00–0000
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JAMES S. SHERRER 000–00–0000
WILLIAM T. SHERRER 000–00–0000
STEVEN C. SHIUE 000–00–0000
BRYAN A. SHOUSE 000–00–0000
RICHARD L. SIEMENS 000–00–0000
ROBERT J. SIGILLITO 000–00–0000
EDWARD D. SIMMER 000–00–0000
JEFFREY A. SIMON 000–00–0000
KRISTIN N. SLATTERY 000–00–0000
LLOYD W. SLOAN 000–00–0000
ERIC P. SMITH 000–00–0000
WILLIAM F. SMITH 000–00–0000
TERRENCE L. SOLDO 000–00–0000
ANNA M. STAUDT 000–00–0000
TERRY K. STEVENSON 000–00–0000
WENDY A. STROH 000–00–0000
CHRISTOPHER D. SWEARINGEN 000–00–0000
ANIL TANEJA 000–00–0000
DAVID J. TANZER 000–00–0000
CHARLES A. TAYLOR 000–00–0000
ELISE F. THOMAS 000–00–0000
JAMES W. THOMAS 000–00–0000
JOHN S. THURBER 000–00–0000
RICHARD TOMPSON 000–00–0000
CHARLES B. TONER 000–00–0000
JOHN C. TORRIS 000–00–0000
MATTHEW S. TURNER 000–0–0000
MARK W. ULRICKSON 000–00–0000
DANIEL J. VALAIK 000–00–0000
JAMES A. VANDERSLOOT 000–00–0000
KATHRYN M. VARGO 000–00–0000
DANIEL E. VANICK 000–00–0000
JONATHAN C. VOGAN 000–00–0000
JONATHAN H. VU 000–00–0000
JOHN W. WAIDNER 000–00–0000
YUSUKE WAKESHIMA 000–00–0000
CLARK W. WALKER 000–00–0000
JEFFREY W. WALL 000–00–0000
ANTOINE P. WASHINGTON 000–00–0000
BRENT T. WATSON 000–00–0000
JAMES A. WEBB 000–00–0000
PETER J. WEIS 000–00–0000
DAVID K. WEISS 000–00–0000
KIRK M. WELKER 000–00–0000
LOYD A. WEST 000–00–0000
DARRYL G. WHITE 000–00–0000
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KENNETH D. WILLIAMS, 000–00–0000
SYMPHOROSA M. WILLIAMS, 000–00–0000
BRIAN D. WIPPERMANN, 000–00–0000
LELAND T. WONG, 000–00–0000
ROBIN E. WOOD, 000–00–0000
JAMES J. WOODS, 000–00–0000
GERALD L. YANCEY, 000–00–0000
BRIAN T. YATES, 000–00–0000
KEVIN E. ZAWACKI, 000–00–0000

SUPPLY CORPS OFFICERS

To be lieutenant commander

DAVID C. ACKERMAN, JR., 000–00–0000
WILLIAM G. BAKER, 000–00–0000
TODD L. BARNUM, 000–00–0000
ROGER T. BEAUBIEN, 000–00–0000
ROBERT J. BESTERCY, 000–00–0000
DEBORAH L. BIENEMAN, 000–00–0000
ROBERT B. BIRMINGHAM, 000–00–0000
MICHAEL B. BOHN, 000–00–0000
JIMMY L. BOSS, JR., 000–00–0000
ANTHONY P. BRAZAS, 000–00–0000
ROBERT L. BRUNSON, JR., 000–00–0000
MICHAEL J. BURR, 000–00–0000
DAVID W. CASH, 000–00–0000
SHARON P. CHAPMAN, 000–00–0000
DUANE A. CHILDRESS, 000–00–0000
SAMUEL S. CHINNAPONGSE, 000–00–0000
LAWRENCE J. COFFEY, 000–00–0000
SCOTT A. COHEN, 000–00–0000
GRISELL F. COLLAZO, 000–00–0000
BOBBI L. COLLINS, 000–00–0000
ARTHUR L. COTTON III, 000–00–0000
DWIN C. CROW, 000–00–0000
ALBERT L. DAVIS, 000–00–0000
JAMES P. DAVIS, 000–00–0000
GEORGE DEVRIES, 000–00–0000
STEVEN A. DIDIO, 000–00–0000
ROBERT W. DILL, 000–00–0000
KENT R. DILLS, 000–00–0000
DALE A. DIMICK, 000–00–0000
KIT A. DUNCAN, 000–00–0000
JOSEPH F. DUNN, 000–00–0000
JAMES M. ERSKINE, 000–00–0000
PHILIP A. FAHRINGER, 000–00–0000
KAREN FALLON, 000–00–0000
JAMES D. FLOWERS, 000–00–0000
ROBERT W. FOSTER, 000–00–0000
MICHAEL L. FULTON, 000–00–0000
DAVID M. FURR, 000–00–0000
JOHN S. GONZALEZ, 000–00–0000
ROBERT A. GOODMAN, 000–00–0000
STEPHEN D. GRACE, 000–00–0000
RANDALL L. GRAU, 000–00–0000
JOHN S. GRAY, 000–00–0000
JOHN M. GROLL III, 000–00–0000
KELLY J. GROSSKOPF, 000–00–0000
DAVID E. GUILBERT, 000–00–0000
STEVEN J. HAVERANECK, 000–00–0000
STEVEN B. HEMMRICH, 000–00–0000
CEDRIC D. HENRY, 000–00–0000
MARK C. HENRY, 000–00–0000
JOHN E. HICKS, 000–00–0000
ARTHUR D. HUGHES, 000–00–0000
CARY D. JOHNSON, 000–00–0000
CHRISTILYNN JONES, 000–00–0000
DAVID G. JONES, 000–00–0000
STUART S. JONES, 000–00–0000
SCOTT P. KELLEN, 000–00–0000
MICHAEL D. KELLY, 000–00–0000
ROBERT J. KILPATRICK, JR., 000–00–0000
ROGER T. KISSEL, 000–00–0000
BRIAN L. KNOTT, 000–00–0000
JOSEPH P. KUCZMARSKI, 000–00–0000
PAUL J. LABELLE, 000–00–0000
JOHN J. LANDRY, 000–00–0000
TRACY A. LARCHER, 000–00–0000
AMY L. LAUER, 000–00–0000
TAE H. LEE, 000–00–0000
VICTOR LOPEZ, 000–00–0000
MICHAEL K. LUCAS, 000–00–0000
STEVEN D. MAC DONALD, 000–00–0000
DAVID J. MAILANDER, 000–00–0000
BRIAN H. MALLADY, 000–00–0000
VITO V. MANNINO, 000–00–0000
MELINDA L. MATHENY, 000–00–0000
JAMES A. MC CORMACK, 000–00–0000
JOHN R. MC KONE II, 000–00–0000
NEAL P. MC MAHON, 000–00–0000
THOMAS R. MC MURDY, 000–00–0000
JOHN G. MEIER III, 000–00–0000
MATTHEWABRAM MERRITT, 000–00–0000
DAVID C. MEYERS, 000–00–0000
KEVIN F. MOONEY, 000–00–0000

ANDREW S. MORGART, 000–00–0000
DANIEL J. MOTHERWAY, 000–00–0000
JOHN M. MURDOCK, 000–00–0000
WILLIAM D. NELSON, 000–00–0000
MARK S. NEWELL, 000–00–0000
GERALD W. NORBUT, 000–00–0000
TIMOTHY J. OBRIEN, 000–00–0000
THOMAS B. ODOWD, 000–00–0000
THEODORE C. OLSON, 000–00–0000
RANDAL J. ONDERS, 000–00–0000
GARY R. PAETZKE, 000–00–0000
JAMES K. PATTON 000–00–0000
DAVID A. PETERS, 000–00–0000
JOHN D. PICKERING, 000–00–0000
DAVID R. PIMPO, 000–00–0000
GREGORY R. PORTER, 000–00–0000
CHARLES T. RACE, 000–00–0000
ALFRED C. RAINES II, 000–00–0000
SUSAN O. RANDALL, 000–00–0000
KEVIN D. REDMAN, 000–00–0000
JAMES M. REICH, 000–00–0000
SCOTT M. RETZLER, 000–00–0000
KATHRYN M. RING, 000–00–0000
ELLEN E. ROBERTS, 000–00–0000
MARK SANTACROCE, 000–00–0000
DUANE J. SCHATZ, 000–00–0000
DONALD L. SINGELTON, 000–00–0000
JAMES W. SMART, 000–00–0000
WALTER P. SMITH, 000–00–0000
GLEN T. STAFFORD, 000–00–0000
TIMOTHY A. STARK, 000–00–0000
BRETT A. STURKEN, 000–00–0000
DAVID R. SUTTON, 000–00–0000
DAVID W. TAYLOR, 000–00–0000
MICHAEL L. TAYLOR, 000–00–0000
REGINA A. TAYLOR-HINES, 000–00–0000
CURTIN D. TEETERS, 000–00–0000
WILLIAM J. TERRY, 000–00–0000
GESELLE D. TOMPKINS, 000–00–0000
DOUGLAS M. THOMPSON, 000–00–0000
ERIK THOMPSON, 000–00–0000
ROBERT F. TUCKER, 000–00–0000
SCOTT R. VANDERMAR, 000–00–0000
FREDERICK M. VANLUIT, 000–00–0000
TIMOTHY S. VARVEL, 000–00–0000
PAUL J. VERRASTRO, 000–00–0000
FRANCIS K. VREDENBURGH JR., 000–00–0000
ROLAND G. WADGE, 000–00–0000
THOMAS C. WARDWELL, 000–00–0000
KEVIN D. WASKOW, 000–00–0000
LOTHAR M. WETZEL, 000–00–0000
TIMOTHY H. WILKINS, 000–00–0000
BRIAN A. ZIRBEL, 000–00–0000

CHAPLAIN CORPS OFFICERS

To be lieutenant commander

ROOSEVELT H. BROWN, 000–00–0000
JOSEPH T. DEVINE, 000–00–0000
STEPHEN A. GAMMON, 000–00–0000
MARK J. LOGID, 000–00–0000
KIERAN G. MANDATO, 000–00–0000
DEBORAH L. MARIYA, 000–00–0000
DAVID D. MITCHELL, 000–00–0000
NESTOR NAZARIO, 000–00–0000
DENNIS T. PINKNEY, 000–00–0000
JOHN O. REITZ, 000–00–0000
ROBBIE H. SCOTT, JR., 000–00–0000
MARK G. STEINER, 000–00–0000
PETER B. ST MARTIN, 000–00–0000

CIVIL ENGINEER CORPS OFFICERS

To be lieutenant commander

WILLIAM W. ANDERSON, JR., 000–00–0000
TIMOTHY J. ARMSTRONG, 000–00–0000
ROBERT D. BAKER, 000–00–0000
WILLIAM E. BENNETT III, 000–00–0000
JOHN T. BERGSTROM, 000–00–0000
MICHAEL A. BLUMENBERG, 000–00–0000
LOUIS V. CARIELLO, 000–00–0000
DAVID B. CORTINAS, 000–00–0000
MARK R. DEIBERT, 000–00–0000
JEAN T. DUMLAO, 000–00–0000
ROBERT O. FETTER, 000–00–0000
WILLIAM E. FINN, 000–00–0000
JOHN V. HECKMANN, JR., 000–00–0000
PAIGE K. HOFFMANN, 000–00–0000
ROBERT P. HOLT, 000–00–0000
MARK W. JACKSON, 000–00–0000
BRYAN K. JAGOE, 000–00–0000
JOHN W. KORKA, 000–00–0000
IAN C. LANGE, 000–00–0000
PETER S. LYNCH, 000–00–0000
EDUARDO P. MANGLALLAN, 000–00–0000
ANTHONY E. MASSENBURG, 000–00–0000
PATRICK L. MCCORMACK, 000–00–0000
BRIAN K. MOORE, 000–00–0000
NICK L. PETERSON, 000–00–0000
BEN D. PINA, 000–00–0000
JORGE P. RIOS, 000–00–0000
MAX D. RODGERS, 000–00–0000
PATRICIA T. SAMORA, 000–00–0000
THOMAS A. SATTERLY, 000–00–0000
WILLIAM M. SHEEDY, 000–00–0000
JOHN T. SOMMER, 000–00–0000
FRANK A. STICH, 000–00–0000
ALLAN M. STRATMAN, 000–00–0000
PAUL F. WEBB, 000–00–0000
JAMES M. WINK, 000–00–0000
GREGORY J. ZIELINSKI, 000–00–0000

JUDGE ADVOCATE GENERAL'S CORPS OFFICERS

To be lieutenant commander

GREGORY P. BELANGER, 000–00–0000
STUART W. BELT, 000–00–0000
VICTOR E. BERNSON, JR., 000–00–0000
FRANCIS J. BUSTAMANTE, 000–00–0000
THOMAS L. COPENHAVER, 000–00–0000
BRENT G. FILBERT, 000–00–0000
NOREEN A. HAGERTY, 000–00–0000
KRISTEN M. HENRICHSEN, 000–00–0000
WILLIAM J. HESS III, 000–00–0000
STEVEN J. HIPFEL, 000–00–0000
ABBY B. HOGAN, 000–00–0000
MICHAEL W. KERNS, 000–00–0000
DULA M. J. LAWRENCE, 000–00–0000
DEAN W. LEECH, 000–00–0000
JOHN R. LIVINGSTON JR., 000–00–0000
JOANN W. MELESKY, 000–00–0000
ELIZABETH A. MILLER, 000–00–0000
TAMARA A. MIRO, 000–00–0000
BRIAN T. ODONNELL, 000–00–0000
RICHARD W. RIDGWAY, 000–00–0000
JAMES L. ROTH, 000–00–0000
ROBERT A. SANDERS, 000–00–0000
PETER D. SCHMID, 000–00–0000
NEIL A. SHEEHAN, 000–00–0000
SUSAN C. STEWART, 000–00–0000
KELVIN M. STROBLE, 000–00–0000
ROBERT P. TAISHOFF 000–00–0000
PETER J. VANHARTESVELDT 000–00–0000
BRIAN S. WILSON 000–00–0000
TODD A. WYNKOOP 000–00–0000
HELEN K. YOUNG 000–00–0000

DENTAL CORPS OFFICERS

To be lieutenant commander

JOANNE R. ADAMSKI 000–00–0000
LYNNE A. BALDASSARI-CRUZ 000–00–0000
MONICA E. BERNINGHAUS 000–00–0000
ELLEN V. BLANDO 000–00–0000
WENDY M. BORUSZEWSKI 000–00–0000
ROBERT A. BOUFFARD 000–00–0000
BRENT J. CALLEGARI 000–00–0000
RICHARD P. CAMPBELL 000–00–0000
KEITH M. COE 000–00–0000
KARINE M. CURETON 000–00–0000
JEFFREY D. DAY 000–00–0000
JANET A. DELOREY-LYTLE 000–00–0000
CHARLES L. ELLIS 000–00–0000
CHRISTINE M. EPSTEIN 000–00–0000
JOHN S. EVERED 000–00–0000
MICHAEL J. GRODE 000–00–0000
ARNE F. GRUSPE 000–00–0000
JERRY W. HAMLIN 000–00–0000
MATTHEW L. HERZBERG 000–00–0000
ROBERT L. KAUFMAN 000–00–0000
KEITH C. KEALEY 000–00–0000
ROBERT P. KUENZI 000–00–0000
VINCENT C. LAPOINTE 000–00–0000
FRANCISCO R. LEAL 000–00–0000
JOHN F. LEUNG 000–00–0000
KAREN M. LYNCH 000–00–0000
JOSEPH C. MCMURRAY 000–00–0000
JOY MEADE 000–00–0000
ROBERT H. MITTON 000–00–0000
ROBERT C. MOORE 000–00–0000
MONA M. MOORE-MEAUX 000–00–0000
CHERYL A. MORGAN 000–00–0000
LYNNETTA J. ODELL 000–00–0000
SCOTT A. OLSON 000–00–0000
MARGARET K. OROURKE 000–00–0000
KEVIN J. OTTE 000–00–0000
SCOTT W. PACKHAM, 000–00–0000
LEONARD J. PLAITANO 000–00–0000
ALONSO M. POZO, 000–00–0000
JOHN F. RANZINI, 000–00–0000
MARK F. ROBACK, 000–00–0000
RONALD A. SABINS, 000–00–0000
MICHAEL A. STEINLE, 000–00–0000
DAVID C. SUH, 000–00–0000
SCOTT D. THOMAS, 000–00–0000
ARTHUR L. TOMASZEWSKI, 000–00–0000
CHRISTINE V. TOMASZEWSKI, 000–00–0000
PATRICIA A. TORDIK, 000–00–0000
NGOC N. TRAN, 000–00–0000
JONATHAN G.I. VANDERMARK, 000–00–0000
SUSANA VELEZ, 000–00–0000
BENJAMIN W. YOUNG, JR. 000–00–0000
CLIFFORD ZDANOWICZ, 000–00–0000
PETER J. ZEHREN, 000–00–0000

MEDICAL SERVICE CORPS OFFICERS

To be lieutenant commander

RAOUL ALLEN, 000–00–0000
ELLEN M. ANDERSEN, 000–00–0000
RAYMOND B. ANDERSON, 000–00–0000
SCOTT L. ARCHER, 000–00–0000
DALE P. BARRETTE, 000–00–0000
MELISSA T. BERRY, 000–00–0000
WILLENE G. BROWN, 000–00–0000
ANNE M. BURKE, 000–00–0000
TED F. CARRELL, 000–00–0000
JENNIFER J. CARTELL, 000–00–0000
GAIL D. CHAPMAN, 000–00–0000
DAVID M. CLABORN, 000–00–0000
GILDA M. COLLAZO, 000–00–0000
CHARLENE C. COLON, 000–00–0000
DOUGLAS L. CRISPELL, 000–00–0000
LISA V. DEPASQUALE, 000–00–0000
JOSEPH D. DUPRE, 000–00–0000
ROBERT A. EDGAR, 000–00–0000
BENJAMIN D. ERNST, 000–00–0000
ROXANNE FRANCIS, 000–00–0000
RICHARD P. FRANCO, 000–00–0000
JACK A. FROST, 000–00–0000
SCHLEURIOUS L. GAITER, 000–00–0000
JERRY L. GARDNER, 000–00–0000
STEVEN L. GEARY, 000–00–0000
DAVE E. GIBSON, 000–00–0000
ROBERT A. GRASSO, JR., 000–00–0000
BRUCE E. GREENLAND, 000–00–0000
MAE C. GRIFFIN, 000–00–0000
RICHARD M. GUZMAN, 000–00–0000
RACHEL D. HALTNER, 000–00–0000
DAVID H. HAMBLETT, 000–00–0000
CURTIS G. HANKAMMER, 000–00–0000
SAMUEL P. HARRY, 000–00–0000
BRENT A. HAYNIE, 000–00–0000
MARK L. HENISER, 000–00–0000
GARY L. HOOK, 000–00–0000
RALPH L. HOWE, 000–00–0000
WILLIE R. HUNTER, 000–00–0000
RANDALL L. JACOBS, 000–00–0000
JOHNNIE F. JOHNSON, JR., 000–00–0000
PAUL T. KAISER, 000–00–0000
STEVEN L. KEENER, 000–00–0000
KEVIN R. KENNEDY, 000–00–0000
NANCY A. KIM, 000–00–0000
JAMES J. KING, 000–00–0000
ROGER Y. KIROUAC, 000–00–0000
THOMAS A. KLITZKA, 000–00–0000
JOHN R. KNOTTS, 000–00–0000
DAIZO KOBAYASHI, 000–00–0000
ANITA M. KOBUSZEWSKI, 000–00–0000
PATRICIA A. KRIER, 000–00–0000
ANGELA M. KRUEGER, 000–00–0000
TRACEY L. KUMM, 000–00–0000
JULITO P. LALUAN, 000–00–0000
JOHN D. LARNERD, JR., 000–00–0000
CALVIN A. LATHAN III, 000–00–0000
KENNETH A. LAUBE, 000–00–0000
THOMAS A. LEINBERGER, 000–00–0000
DAVID R. LESSER, 000–00–0000
MICHAEL C. LIBBY, 000–00–0000
SUSAN E. LICHTENSTEIN, 000–00–0000
JULIE A. LONG, 000–00–0000
PAUL J. MARCINKO, 000–00–0000
PIETRO D. MARGHELLA, 000–00–0000
RITA L. MC CARTHY, 000–00–0000
PAULA H. MC CLURE, 000–00–0000
LARRY A. MC FARLAND, 000–00–0000
RONALD N. MC LEAN, 000–00–0000
DAVID L. MC NAMARA, 000–00–0000
TERRY S. MOLNAR, 000–00–0000
THOMAS MOSZKOWICZ, 000–00–0000
JONATHAN P. NELSON, 000–00–0000
MATTHEW E. NEWTON, 000–00–0000
GINA M. NIZIOLEK, 000–00–0000
JAMES J. PELLACK, 000–00–0000
THOMAS J. PETRILAK, 000–00–0000
DORKA M. PICARD, 000–00–0000
LARRY L. PICARD, 000–00–0000
ALANA M. PIERCE, 000–00–0000
WAYNE F. PRESCOTT, 000–00–0000
WARREN R. PRESTON, 000–00–0000
KEITH R. PROCTOR, 000–00–0000
MAUREEN E. QUEENAN-FLORES, 000–00–0000
CELIA A. QUIVERS, 000–00–0000
JOEL D. RASTELLO, 000–00–0000
RICHARD O. REED, 000–00–0000
LEISA R. RICHARDSON, 000–00–0000
JOSEPH M. RICHTER, 000–00–0000
WALTER P. RUGGLES, 000–00–0000
BOBBIE S. SALIRE, 000–00–0000
WILFREDO A. SARTHOU, 000–00–0000
MICHAEL S. SCHAFFER, 000–00–0000
CARL E. SCHAUPPNER, 000–00–0000
JEAN T. SCHERRER, 000–00–0000
VIRGINIA A. SCHOENFELD, 000–00–0000
ANNE R. SHIELDS, 000–00–0000
ALAN V. SIEWERTSEN, 000–00–0000
CAREY M. SILL, 000–00–0000
STEPHANIE M. SIMON, 000–00–0000
LESLIE L. SIMS, 000–00–0000
MICHAEL A. SOKOLOWSKI, 000–00–0000
LEE STEIGER, JR., 000–00–0000
GARY W. THOMAS, 000–00–0000
ROBERT B. TOWLE, 000–00–0000
HARVEY L. VANDENBURG, 000–00–0000
RICKY L. VANWAY, 000–00–0000
MICHAEL L. VINEYARD, 000–00–0000
STANLEY G. WADE, 000–00–0000
ROBERT M. WAGNER, 000–00–0000
DAVID F. WALTON, 000–00–0000
SHERYL L. WASHINGTON, 000–00–0000
PATRICIA J. WATSON, 000–00–0000
DANIEL W. WATTS, 000–00–0000
DOUGLAS E. WELCH, 000–00–0000
RICKY A. WENNING, 000–00–0000
GARY D. WERTZ, 000–00–0000
SILVA P. D. WESTERBECK, 000–00–0000
WILLIAM J. WHOOLERY, 000–00–0000
CYNTHIA E. WILKERSON, 000–00–0000
CAREY C. WILLIAMS, 000–00–0000
JEAN M. WILLIAMS, 000–00–0000
REVLON O. WILLIAMS, 000–00–0000
TOBY L. WILSON, 000–00–0000
DOUGLAS A. ZAREN, 000–00–0000

NURSE CORPS OFFICERS

To be lieutenant commander

MARIA E.S. AGUILA, 000–00–0000
ROBIN R. AKINS, 000–00–0000
ROBERT L. ARBEENE, 000–00–0000
BRAD A. ARMSTRONG, 000–00–0000
HERBERT C. ARMSTRONG, 000–00–0000
ELIZABETH M. ARNOLD, 000–00–0000
CHARLIE M. BAKER, 000–00–0000
JAMES L. BARRETT, 000–00–0000
OTIS J. BATY, 000–00–0000
KATHY W. BAY, 000–00–0000
TOMI L. BEARGARCIA, 000–00–0000
KATHY T. BECKER, 000–00–0000
KARENA M. BELIN, 000–00–0000
JUDITH D. BELLAS, 000–00–0000

HOLLY S. BENNETT, 000–00–0000
ELIZABETH A. BIBEAU, 000–00–0000
PATRICE D. BIBEAU, 000–00–0000
ANDREW R. BIEGNER, 000–00–0000
KAREN K. BIGGS, 000–00–0000
JULIA E. BOND, 000–00–0000
ELIZABETH N. BOULETTE, 000–00–0000
RICHARD A. BRADLEY, 000–00–0000
MICHAEL R. BRANTLEY, 000–00–0000
MARY K. BROWN, 000–00–0000
PAUL E. BUCK, 000–00–0000
JO H. BYRD, 000–00–0000
ALICE A. CAGNINA, 000–00–0000
DENNIS M. CAMPBELL, 000–00–0000
CATHALEEN A. CANLER, 000–00–0000
DEBRA P. CARTER, 000–00–0000
DEAN P. CARY, 000–00–0000
DAWN M. CAVALLARIO, 000–00–0000
DOROTHY C. CHRISTEN, 000–00–0000
THERESA K. CHRISTMANN, 000–00–0000
BRENDA A. CLARK, 000–00–0000
WILLIAM D. CLARK, 000–00–0000
EDA P. CLEMONS, 000–00–0000
JACQUELINE D. COLE, 000–00–0000
DEAN C. CONSTANTINE, 000–00–0000
JOSEPH COSENTINO JR., 000–00–0000
CHRISTOPHER J. COSTIGAN, 000–00–0000
ROSEMARY COTA, 000–00–0000
MARK S. DAHLEN, 000–00–0000
CINDY L. DAVIS, 000–00–0000
WILLIE M. H. DAVIS, 000–00–0000
STEVEN E. DICHIARA, 000–00–0000
CYNTHIA L. DOERING, 000–00–0000
ROBERT E. DOYLE, JR., 000–00–0000
B.J.V. DREW, 000–00–0000
LAWRENCE J. DUANE, 000–00–0000
LAURIE A. ERSKINE, 000–00–0000
COLLEEN M. ESTES, 000–00–0000
CONSTANCE J. EVANS, 000–00–0000
CYNTHIA A. FLEMING, 000–00–0000
SARA B. FORBUS, 000–00–0000
JAMES P. FOWLER, 000–00–0000
CONNIE L. FOX, 000–00–0000
LORI S. FRANK, 000–00–0000
DEBRA A. GAGNON, 000–00–0000
COLLEEN K. GALLAGHER, 000–00–0000
SUSAN J. GALLOWAY, 000–00–0000
LAURIE GENTENE, 000–00–0000
BETH W. GERING, 000–00–0000
EDWARD W. GREER, 000–00–0000
LORIE L. GREER, 000–00–0000
CAROL A. GRUSH, 000–00–0000
KATHERINE M. GULLON, 000–00–0000
CAROL J. HADDOCK, 000–00–0000
SUZANNE M. HAMLIN, 000–00–0000
KATHY A. HANSEN, 000–00–0000
SHARON K. HARPER, 000–00–0000
WANDA P. HEISLER, 000–00–0000
JOHN S. HILTIBIDAL, 000–00–0000
JEANETTE S. HIRTER, 000–00–0000
MARY J. HOBAN, 000–00–0000
LORI J. HOFFMANN, 000–00–0000
JOAN E. HOWLEY, 000–00–0000
GARY M. JACKSON, 000–00–0000
TRACI W. JARNIGAN, 000–00–0000
LYNN N. JOHNSON, 000–00–0000
JOHN J.S. KANE, 000–00–0000
JOSEPH A. KELLY, 000–00–0000
GAYLE S. KENNERLY, 000–00–0000
REGINA M. KIEFER, 000–00–0000
PATRICIA A. KISNER, 000–00–0000
ALISA J. KOHL, 000–00–0000
REMEDIOS J. LABRADOR, 000–00–0000
ALICE M. LANG, 000–00–0000
RAYMOND B. LANPHERE, 000–00–0000
LORI A. LARAWAY, 000–00–0000
KEITH G. LASTRAPES, 000–00–0000
KEVIN D. LAUER, 000–00–0000
ROBERT P. LAZARTE, 000–00–0000
ANNE M. LEAR, 000–00–0000
LOUIS X. LESH, 000–00–0000
BRIAN J. LEWIS, 000–00–0000
MICHELLE L. LOFLAND, 000–00–0000
KATHLEEN M. LOVELAND, 000–00–0000
JOHN F. LYONS, 000–00–0000
SIMONE N. MARSAC, 000–00–0000
LORI A. MARTIN, 000–00–0000
TRISHA C. MARTIN, 000–00–0000
HAROLD D. MAY, 000–00–0000
LINDA S. V. MCCORD, 000–00–0000
MATTHEW L. MCCOUCHA, 000–00–0000
PATRICIA MCDONALD, 000–00–0000
SUSAN P. MCKEEFREY, 000–00–0000
IRENE C. MCKIEL, 000–00–0000
GEORGE F. MCMAHON, 000–00–0000
TERRIE C. MCSWEEN, 000–00–0000
PAMELA M. MILLER, 000–00–0000
CAROLA A. MINER, 000–00–0000
KATHY L. MORRIS, 000–00–0000
KARL J. MUEHLFELD, 000–00–0000
SHARON A. MULLANEY, 000–00–0000
LINDA J. NAILE, 000–00–0000
TINA L. NAWROCKI, 000–00–0000
QUYEN H. NGUYEN, 000–00–0000
DARRELL T. OPPERMANN, 000–00–0000
CASSIE L. ORMSBY, 000–00–0000
JUDITH M. OWENS, 000–00–0000
VIOLETA O. PADORA, 000–00–0000
TERIANNE PAPPAS, 000–00–0000
JOEL L. PARKER, 000–00–0000
NANCY L. PEARSON, 000–00–0000
STEPHEN B. PEARSON, 000–00–0000
DAVID PEDRAZA, 000–00–0000
KERRI S. PEGG, 000–00–0000
DAVID K. PENNEBAKER, 000–00–0000
LAURA E. PISTEY, 000–00–0000
ROBERT F. PROFETA, 000–00–0000
MAUREEN M. PUGLISI, 000–00–0000
MARK L. REITNAUER, 000–00–0000
KURK A. ROGERS, 000–00–0000
KATHERINE T. ROWAN, 000–00–0000
TRUDENCE L. SAGE, 000–00–0000
NANCY D. SAVALOX, 000–00–0000
CATHERINE A. SEGNI, 000–00–0000
SHELLY A. SEIDEL, 000–00–0000
JOANN E. SERSLAND, 000–00–0000
DENISE L. SMITH, 000–00–0000
CASSANDRA A. SPEARS, 000–00–0000
CARLA J. STANG, 000–00–0000
TANYA STEVENSON-GAINES, 000–00–0000
MARY A. SUTHERLAND, 000–00–0000
JILL M. SZYMANSKI, 000–00–0000
DEBRA A. TERRELL, 000–00–0000
SANDRA L. THOMAS-ROGERS, 000–00–0000
SUSAN L. TITUS, 000–00–0000
SHARON E. UNGAR, 000–00–0000
MARY K. VANN, 000–00–0000
JENNIFER L. VEDRAL-BARON, 000–00–0000
MARY E. VERBECK, 000–00–0000
CLARENCE H. WAGONER, 000–00–0000
KIM M. WALLIS, 000–00–0000
WILLIAM E. WELLS, 000–00–0000
LESTER M. WHITLEY, JR., 000–00–0000
SANDRA WHITTAKER, 000–00–0000
STEVEN E. WILDASIN, 000–00–0000
FRED K. WILKERSON, 000–00–0000
DEBORAH G. WILLIAMS, 000–00–0000
ANGELA WOOD, 000–00–0000
MARGARET S. WOOD, 000–00–0000
VICTORIA M. WOODEN, 000–00–0000
CONSTANCE L. WORLINE, 000–00–0000
STEVEN J. WYRSCH, 000–00–0000
SHARRON L. YOKLEY, 000–00–0000
ALICE A. ZENGEL, 000–00–0000
HUMBERTO ZUNIGA, JR., 000–00–0000

LIMITED DUTY OFFICERS (STAFF)

To be lieutenant commander

GENARO T. BELTRAN, JR., 000–00–0000
VINCENTE R. GILL, 000–00–0000
JAMES A. HASTY, 000–00–0000
JOHN H. HORNBROOK III, 000–00–0000
EDGAR W. LEONARD, 000–00–0000
JOHN E. SAWYER, 000–00–0000
MICHAEL J. SPRAGUE, 000–00–0000
WILLIAM M. TURNER, 000–00–0000

EXTENSIONS OF REMARKS

NATIONAL PARK SYSTEM REFORM ACT OF 1995

SPEECH OF

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 18, 1995

Mr. SHAW. Mr. Speaker, I rise today to voice my support for H.R. 260, the National Park System Reform Act of 1995. First, I would like to clear up any misconceptions about the nature of this bill. H.R. 260 does not close a single park. As a strong supporter of the preservation of native resources, I would never support a bill that threatened our national parks.

In the last 10 years, the National Park Service budget has more than doubled, increasing by more than 30 percent above the rate of inflation. Despite these substantial increases, the National Park Service claims that their agency is suffering huge funding shortages. In the past, when similar proposed budget cuts have been recommended, the NPS has responded by threatening to close highly visible areas. In the NPS budget request for fiscal year 1996 only 48 percent of the $1.5 billion requested goes directly to fund park operations. In the remaining 52 percent of the budget, the administration has requested funding for projects such as $1 million to repair the White House sidewalks. Clearly, NPS funding could afford to be cut in many areas with little or no effect on parks. In fact, the National Park Service has already submitted a report to Congress recommending specific programs that could be cut to meet the budget reductions, without closing parks.

Many ask why the National Park Service doesn't just increase its park entrance fees. Currently, the NPS collects fees at only one-third of the areas it administers, resulting in the failure of the NPS to collect $60 million annually.

H.R. 260 is similar in scope to a bill which passed the House by a vote of 421 to 0 last Congress. It requires the NPS to develop the first plan in the history of the agency to define the mission of the agency. In addition, it requires that the NPS review the existing 368 areas managed by the agency—excluding the 54 national parks—to determine if all of them should continue to be managed by the NPS.

I quote directly from the bill, ''Nothing in this Act shall be construed as modifying or terminating any unit of the National Park System without a subsequent Act of Congress.'' This bill is not designed to save money but to ensure that our park system continues to be the best in the world.

LEGISLATION AMENDING THE INTERNAL REVENUE CODE RELATING TO THE EXPIRATION DATE FOR REFUNDING OF EXCISE TAXES ON GASOLINE BLENDED WITH ETHANOL

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. JOHNSON of South Dakota. Mr. Speaker, I am pleased today to introduce legislation that would amend a technical error in the expiration date for refunds of excise tax on gasoline blended with alcohol fuels.

Although the exemption from the excise tax for alcohol fuels clearly does not expire until September 30, 2000, the provision in Internal Revenue Code allowing businesses who routinely blend alcohol with gasoline and other fuels expires on September 30, 1995. Businesses still qualify for refunds for the excise tax paid, but the expiration of the provision for routine refunding of the excise tax paid requires Herculean efforts on the part of blenders and likely will cause some to quit blending alcohol fuel altogether. Extending the refund to coincide with the expiration dates for the exemption from excise tax is fair and budget neutral, as businesses using this refund procedure clearly do not owe the tax.

Failing to extend the expiration of this refund will be negative for the environment, negative for the truly American industry of ethanol production, and negative for America's farmers as a significant market for grain will be reduced.

Mr. Speaker, I am certain that you and the rest of my colleagues would agree that it is good policy to fix technical errors in Internal Revenue Code. The alternative is the policy of unintended consequences. This serves no public interest. I ask you to join me in making this technical correction to the Federal Tax Code.

DENYING THE POOR EQUAL ACCESS TO THE LAW

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. LANTOS. Mr. Speaker, I invite my colleagues to join me in opposing those who continue to scapegoat the poor for our Nation's ills, and now seek to kill the Legal Services Corporation which is often the only source of legal aid for those least able to pay or navigate their way through our system of justice. I wish to draw my colleagues attention to an honest, take-no-prisoners editorial in the San Francisco Chronicle which clearly demonstrates how utterly repugnant these proposals are to eliminate Federal funding for legal aid. I urge my colleagues to join me in protecting this important and vital guarantor of justice in America.

[From the San Francisco Chronicle, Sept. 13, 1995]

DENYING THE POOR EQUAL ACCESS TO THE LAW

A repugnant attack on the poor gets a hearing on the floor of the U.S. Senate tomorrow with the scheduled vote on a bill that would slash funds for legal aid and eliminate the 30-year-old Legal Services Corporation.

The 323 shoestring community legal agencies funded by the corporation often provide the only recourse for members of the nation's underclass who are dealing with domestic violence emergencies, tenant problems, nursing home complaints, discrimination and wage disputes and myriad other plights requiring legal expertise.

But in the name of balancing the budget, the Senate Appropriations Committee passed a bill that would cut already-insufficient $400 million funding by about half, abolish the corporation and make right-wing fundamentalists happy by imposing restrictions on the kinds of cases, such as divorce, that can be represented.

A similar and equally harmful and distasteful measure by Representative George Gekas, R–Pa., is making its way through the House.

The issue is ''whether the government should be involved in breaking up families,'' was the know-nothing reaction of a spokesman for presidential hopeful Senator Phil Gramm when asked about the Texas Republican's support of the legal aid bills.

Typically, however, local legal aid lawyers working with limited funds must give priority to martial cases that involve spousal battering. They must often refer less urgent cases to others.

California received $47.2 million this year to help the poor with civil legal matters, far from enough to provide legal aid to all the indigent, not least of all poverty-stricken elderly, who need such help. Proposed cuts for the state could total $19 million.

Besides trying to use government-funded legal aid as a symbol of misplaced moral values, conservatives charge that the Legal Services Corporation spends too much time on high-profit class action suits.

To the contrary, most of the work of these dedicated, underpaid legal aid lawyers is spent on the gritty, routine case work involving families and housing , the disabled, patient rights, consumer and utility issues and wage issues. The legal and lawyers also help the poor wade through bureaucratic labyrinths that often make it difficult to collect the few federal benefits to which they are entitled.

The relatively small federal outlay in legal aid funds has meant the difference between justice and injustice for many poor Americans.

It is an investment that must continue to be honored if the country is not to abrogate its historic promise of equal access to the legal system.

CONGRATULATING THE NATIONAL CENTER FOR DISABILITY SERVICES

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. ACKERMAN. Mr. Speaker, I rise to salute the National Center for Disability Services, which is located in Alberston, NY. The National Center for Disability Services is a recipient of the U.S. Department of Labor's 1995 Epic Award, in recognition of its formidable success in assisting corporate America recruit and employ individuals with disabilities.

For over 40 years, this facility has demonstrated that people with disabilities can participate fully in our society if given the opportunity. This center provides a comprehensive array of services for people with disabilities, including a school for children, and career evaluation, training and placement services for adults.

Mr. Speaker, I ask all of my colleagues in the House of Representatives to join me now in congratulating Edmund L. Cortez, the center's president and chief executive officer, along with his entire staff, for this remarkable achievement.

PERSONAL EXPLANATION

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. BATEMAN. Mr. Speaker, I was unable to participate in a number of rollcall votes in late July and early August. I also inadvertently missed rollcall vote 658 on September 13, 1995. In the interest of keeping my constituents informed of how I would have voted had I been present, I submit the following information:

Rollcall vote:

546	Yea.
547	Nay.
548	Nay.
549	Nay.
550	Nay.
551	Nay.
552	Nay.
553	Nay.
554	Yea.
555	Nay.
556	Nay.
557	Yea.
558	Nay.
559	Nay.
560	Nay.
561	Nay.
562	Nay.
563	Nay.
564	Yea.
565	Nay.
566	Yea.
567	Nay.
568	Nay.
569	Yea.
570	Yea.
571	Nay.
572	Nay.
573	Nay.
574	Nay.
575	Nay.
577	Nay.
578	Nay.
579	Nay.
580	Nay.
581	Nay.
582	Yea.
583	Nay.
584	Yea.
585	Yea.
586	Yea.
587	Nay.
588	Nay.
589	Nay.
590	Nay.
591	Nay.
592	Nay.
593	Nay.
594	Nay.
595	Nay.
596	Nay.
597	Nay.
598	Nay.
599	Nay.
600	Yea.
601	Yea.
602	Nay.
603	Nay.
608	Present.
609	Nay.
610	Yea.
611	Nay.
612	Nay.
613	Nay.
614	Yea.
615	Nay.
616	Yea.
617	Nay.
618	Nay.
619	Nay.
620	Nay.
621	Nay.
622	Nay.
623	Yea.
624	Nay.
627	Yea.
628	Nay.
629	Yea.
630	Nay.
631	Yea.
632	Yea.
633	Yea.
634	Nay.
635	Yea.
658	Nay.

RECOGNIZING THE DRUG ENFORCEMENT AGENCY FOUNDATION

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. FORBES. Mr. Speaker, I rise today to recognize Drug Enforcement Agency Foundation [DEA] and their contribution to helping the American public respect, appreciate, and support the efforts of the men and women of the Drug Enforcement Agency.

Officials in other areas of law enforcement interact regularly with the general public. However, the DEA special agent does not have this opportunity and must work undercover for safety and security reasons.

It appears that lately, Mr. Speaker, people have forgotten about these individuals, the special agents of the DEA, who risk their lives daily for us. It is important to acknowledge DEA special agents, and their families who are prepared to risk everything to make America a better, safer place for all of us.

The DEA Foundation was recently formed by a group of leading American figures in the business community and medical professions. These ladies and gentlemen saw the need to raise funds to help educate our children about the dangers of drugs and the need to offer financial support to families of DEA agents killed in the line of duty. These generous supporters give selflessly of their time and energy to help the men and women of the DEA.

The Foundation's board of directors has taken a pledge to donate time and resources to developing programs to further benefit the Drug Enforcement Agency, its special agents, their families and the general public.

Authorized by the Department of Justice and the DEA, the Foundation works tirelessly to provide services to the community and the Drug Enforcement Agency that are not provided for in the DEA operating budget. In addition, the Foundation serves as the primary link for agents and their families in a time of crisis or need.

Mr. Speaker, I am sure that you and all Members of this House agree our quality of life can improve greatly with a reduction in crime. Studies have shown the direct link between illegal drugs and crime, making the Drug Enforcement Agency, with its dedicated agents, our first line of defense.

I want to thank the Drug Enforcement Agency Foundation for its continued efforts in supporting the men and women of the DEA and in helping reduce crime on our streets. Mr. Speaker, I recognize and thank First Chairman Dennis Jay Schnur and First Vice Chairman Abbey J. Butler, and the other 27 founding directors, who had the vision to establish the DEA Foundation and without whose commitment this Foundation would not and could not exist.

TRIBUTE HONORING ST. PAUL LUTHERAN CHURCH OF DANBURY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. GILLMOR. Mr. Speaker, it gives me great pleasure to rise today and salute a church in my district. This year, St. Paul Lutheran Church in Danbury, OH, will celebrate the 150th year of its founding.

Located in northern Ohio along the coast of Lake Erie, the church was founded in a log cabin on August 29, 1845. Many of the same family names are still in the congregation 150 years later. In fact, the speaker for the celebration, Rev. Cecil E. King, Jr., is a son of the St. Paul congregation. The vision at its founding 150 years ago was to be a church where people live with God and work for the communal good.

The same vision is true today. The church building has been a source of civic pride for many years and the stately design of the building solidifies its place as a local landmark. A monument such as this does not survive on structure alone, however. The building is a testament to the dedication of the congregation in preserving links to their heritage.

Mr. Speaker, as the church marks its 150th year of service, we commemorate the past and celebrate the future. A new generation continues the exemplary record of community service and pride that distinguishes St. Paul's. I ask my colleagues to join me in honoring this special church.

TRIBUTE TO THE ALEXANDRIA HARMONIZERS

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. MORAN. Mr. Speaker, I rise today to give much deserved recognition to the Alexandria Harmonizers Barbershop Chorus, a 130-voice barbershop chorus from Alexandria, VA. Led by Scott Werner, the Harmonizers have been entertaining audiences since 1948. This year the Harmonizers have been recognized for the seventh time since 1979, as the International Barbershop Chorus Champions, distinguishing them as No. 1 among over 825 men's barbershop choruses internationally. I admire their efforts to preserve this piece of American culture where synthesizers and electronic instruments would have taken over. I submit for the RECORD an article from the Washington Post which further expands on the history, and essence of the Harmonizers.

[From the Washington Post, Aug. 3, 1995]

HARMONIOUS HOTSHOTS—BARBERSHOPPERS HIT PRIZE-WINNING PITCH

(By Lan Ngyen)

Strike another high note for the Alexandria Harmonizers.

The all-male singing group just won its third international barbershop chorus championship in nine years, beating out 21 groups from the United States, Canada and England.

With its performance of ''I'll Be Seeing You,'' a song above love, familiarity and remembrances that was written for soldiers in World War II, the 130-member chorus again wowed the judges at the annual contest sponsored by the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America.

The Harmonizers also staged a dazzling rendition of ''Sweet Georgia Brown,'' which was widely popularized as the Harlem Globetrotters' theme song and is about a woman who comes to town and stirs a commotion among the men. Along with their booming four-part harmony, the singers sway side to side, snap their fingers, dance in a chorus line and synchronize the flashing of their purple-sequined vests.

''We want to be the best we can to bring to people not only an excellent singing group but an entertaining group at the same time,'' said Scott Werner, the group's director of more than 20 years. ''It's not a professional group, but the level of our singing is comparable to a lot of professional groups. We've worked very hard at perfecting our hobby.''

The Harmonizers is one of more than 800 groups in the Wisconsin-based barbershop singing society, whose motto is ''Keep the World Singing.'' Their form of music is based on the four-part harmony of a bass, a baritone, a tenor and a lead, who sings the melody. The songs have simple versus and are sung a capella because the blend and the richness of the four tones require no instruments to embellish the sound.

This type of singing dates to the late 1800s, according to Brian Lynch, the society's public relations director. People on street corners and in churches would sing four-part harmony to pass the time. Yet barbershop singing began to fade with the demise of vaudeville in the 1930s, around the time the national organization was formed by two barbershop singing aficionados.

Part of the Harmonizers' mission is to keep barbershop music alive in an era of MTV, synthesizers and other electronic equipment that can play the sound of many instruments at once. For their part, the Harmonizers try to attract a wide range of audiences by singing more than traditional barbershop tunes, such as ''Sweet Adeline.'' At a free concert last week at Fort Ward Park in Alexandria, for example, they crooned their version of ''Music of the Night,'' a popular song from the play ''Phantom of the Opera.''

And unlike other barbershop chorus groups whose performances more resemble something you'd expect from a staid Sunday church choir, the Harmonizers emphasize pizazz in their pieces, with the help of Geri Geis, an actress and choreographer. In a remake of the 1950s rock-and-roll tune ''Little Darlin'' by the Diamonds, all the singers sport sunglasses. In a medley of selections from ''Guys and Dolls,'' they don 1930s costumes and act out scenes.

The Harmonizers range in age from 15 to 93, and they come from all walks of life—doctors, lawyers, students, architects and military colonels. Many grew up singing in church groups or performing in school musicals.

''Choruses like ours are made up of a bunch of Joes who like to sing,'' said Bob Sutton, a 10-year member. ''There's a tremendous reward for those who join. It's a part of my life. As long as I can continue to get the thrill that you get singing four-part chords, I'm going to continue to do that.''

The Harmonizers practice three hours a week, give two performances a month and stage two full-blown shows in the fall and spring to finance their trips and costumes. They've taken their act on the road for Supreme Court justices and for performances at Wolf Trap, Carnegie Hall and the Kennedy Center, where they've sung with the likes of Perry Como.

Members of the Harmonizers, founded 47 years ago by a dozen or so members, attribute their success and longevity to the fraternal bonds the men have forged practicing and singing together. They say they make lifelong friendships and keep in touch through a monthly newsletter that notes births, weddings and funerals.

''A lot of [the organizations' success] has to do with camaraderie and friendships that you build in an organization like this,'' said Tyce Light, 29, a D.C. computer analyst who joined the group three years ago. ''When members of the chorus are sick or wives have babies, the Harmonizers do pull together with strong family spirit.''

A POEM BY RITA RUDOLPH OF EULESS, TX, TO HONOR THE MEN WHO FOUGHT IN THE D–DAY INVASION

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1995

Mr. BARTON of Texas. Mr. Speaker, I submit the following for the RECORD:

D-DAY, 6TH OF JUNE; FIFTY YEARS LATER

White crosses, thousands, all in a row; how still.
Beneath them, young men who never grew old.
Heroes; some say, who died so that others could live in freedom.
Look closely at these crosses and listen to the voices of all these young men.
I died so that you might live in a free world.
I died so that you could do greater things with your lives.
I died so that this earth could be a better place for you and your children, so that peace, love and respect for each other as brothers would rein.
I gave you the rest of my life so that you could build a peaceful world. Each man living their lives for good; enjoying all the good things life has to offer.
I gave you the most precious gift I had; I gave you my life, my future.
Oh, if only we could rise up from this place where we have laid so long; we could show you what life should be like.
All of us here, could show you what life really means.

RYAN WHITE CARE ACT AMENDMENTS OF 1995

SPEECH OF

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 18, 1995

Mr. KLECZKA. Mr. Speaker, passage of the Ryan White CARE Act Amendments is the culmination of more than 20 years of untiring work by the HIV/AIDS community not only to reauthorize this landmark legislation, but to make it stronger. In a time when divisive politics has become the norm, the Ryan White CARE Act is a rare example of the good work that can be accomplished when individuals, despite different socioeconomic status, locales, and politics, come together in a strong partnership to work for a common goal.

This past Sunday I had the wonderful opportunity to join over ten thousand supporters of the Ryan White CARE Act at the Wisconsin AIDS Walk. Some walked to remember a loved one or coworker that had died of the disease; some walked in the hope they could raise money for research to help find a cure; some walked to promote awareness, or to show their support for the HIV/AIDS community. But they all walked together. And together they raised over $700,000 for the cause.

Similarly, because we all worked together, Republicans and Democrats, Members from urban areas and those from rural districts, the Ryan White CARE Act is even stronger than the original legislation. For example, the new funding formulas that were so carefully fashioned will increase Federal AIDS funding in Wisconsin by over $3 million.

It is through the commitment of the Ryan White CARE Act, that the Federal Government joins State and local governments in an inclusive partnership with health care providers, religious organizations, people afflicted with the AIDS epidemic, and members of the Wisconsin community who came out on Sunday to walk for a good cause. This partnership has afforded people with the HIV disease access to a comprehensive support structure that includes housing, medical care, legal and social services, and most importantly, hope.

I am proud to have been a part of this important bipartisan effort to reauthorize the Ryan White CARE Act. It is truly gratifying to see this bill pass overwhelmingly in both Houses. But on this important day, let us remember that we could not have reached this important goal if we had not all worked together.

DAIRY FREEDOM ACT OF 1995

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. PETRI. Mr. Speaker, today I am introducing the Dairy Freedom Act of 1995. This bill deregulates the diary industry within 5 years by eliminating the Federal milk marketing order system on January 1, 1996, reducing the Federal dairy price support over the next 4 years beginning January 1, 1996, and then eliminating the price support program on January 1, 2000. It also directs the first savings realized through this plan toward eliminating the current dairy assessment paid by farmers, then applies all subsequent program savings to reduce and eventually eliminate the taxpayers' contribution to the program.

Through an oppressive and costly system of Federal milk marketing orders, the Federal Government currently fixes the price of 70 percent of the raw milk produced in the United States according to how the processor intends to use it. The Federal order system also pools and then redistributes milk revenues among farmers by computing a blend price which all processors are required by law to pay to farmers. And through the dairy price support system, the Federal Government attempts to support the price of raw milk by entering dairy product markets and buying butter, cheese, and nonfat dry milk at minimum guaranteed prices. This creates artificial demand in the market for dairy products and effectively encourages overproduction of certain products due to the fact that the Government is required by law to purchase them.

The fact that this program uses centralized government planning methods in an attempt to micro-manage the dairy industry is bad enough. But what I and many, many folks in the upper Midwest find truly despicable about it is that it effectively discriminates against our dairy farmers by holding their milk prices down, while keeping prices artificially high in other parts of the country. It is ironic and sad that this program—supposedly created to help dairy farmers—is now substantially to blame for driving more than a few of them out of business.

In addition, this program continues to cost farmers, taxpayers, and consumers hundreds of millions of dollars each every year. Farmers are required to pay an assessment in order to help defray the cost of purchasing surplus dairy products through the Federal dairy price support system. Rather than allowing the free market to counter overproduction of certain dairy products, the current program effectively sets floor prices and taxes farmers for part of the cost of maintaining those prices by removing manufactured products from the market. Taxpayers pick up the tab for most of the program's cost, which is expected to total more than $370 million in fiscal year 1996 if the program remains unchanged. Finally, consumers pay for this program at the checkout counter when they purchase dairy products or other food products made with milk which has been priced artificially high by the Federal Government.

I feel very strongly that any Federal dairy policy which continues to prevent the proper functioning of the free market in the dairy industry, and which effectively discriminates among farmers on a regional basis, is unacceptable. Instead of keeping this program intact and reauthorizing some semblance of the status quo, I propose today that the Congress take action to free America's dairy industry by incorporating my Dairy Freedom Act into the agriculture reauthorization language which is to be included in this year's budget reconciliation bill. I urge my colleagues to join me in taking this bold yet long-overdue step in favor of free markets, lower prices for consumers, less waste of taxpayer dollars, and free and fair competition in the U.S. dairy industry.

TRIBUTE TO ELIZABETH KAUFMAN

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. BERMAN. Mr. Speaker, we are honored to pay tribute to Elizabeth Kaufman, who has just completed her 1-year term as president of the San Fernando Valley Bar Association. Elizabeth, who immigrated to the United States from Poland in 1964, is the classic example of a person who became a success through hard work and perseverance.

Elizabeth began her rise as a law clerk in the Los Angeles City Attorney's Office, where she worked while simultaneously attending San Fernando Valley College of Law. She graduated from law school in 1975. After admittance to the California Bar, Elizabeth began her private law practice, emphasizing family law and personal injury. She also quickly became immersed in a wide variety of activities associated with the law.

For example, Elizabeth served as a free arbitrator for the State Bar of California and the Los Angeles County Bar Association; family law court mediator; Superior Court arbitrator; and trustee of the Los Angeles County Bar Association.

In 1988, Elizabeth was elected as a trustee of the San Fernando Valley Bar Association. Six years later she became president. Elizabeth's tenure was marked by the launching of Lawyer's World magazine, and a significant increase in membership.

Elizabeth, married to Dr. Hershell L. Kaufman and the mother of three teen-age daughters, has considerable duties outside of her home and the law. She is director of the San Fernando Valley Community Mental Health Center; director of the Northridge Chamber of Commerce; and director of the Heschel Day School.

Mr. Speaker, we ask our colleagues to join us today in saluting Elizabeth Kaufman, whose devotion to her community, profession and family is exemplary. She is an inspiration to all of us.

FOREIGN TRUSTS

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. GIBBONS. Mr. Speaker, I am introducing legislation today to prevent avoidance of our tax laws by individuals transferring their assets to foreign trusts. I am introducing this legislation because it responds to a real and growing abuse of our tax laws.

The legislation that I am introducing today includes several provisions similar to proposals recommended by the President in his budget submission for fiscal year 1996. My proposal contains substantial changes to the proposals recommended by the President. These changes are largely in response to concerns raised by tax practitioners. In particular, I would like to thank the New York Bar Association for its thoughtful analysis of the President's foreign trust proposals. Many of their recommendations have been incorporated into the legislation that I am introducing today. Although I have made substantial revisions to the original Treasury proposal, the Treasury has indicated that it would support my bill as a reasonable approach to the problem of tax evasion through foreign trusts.

Recently, we had a long debate over provisions designed to prevent avoidance of our tax laws by American citizens renouncing their allegiance to this country. During that debate, I became aware that many other wealthy individuals, while retaining their citizenship in this country, are abusing our tax laws by hiding their assets in offshore trusts or other accounts located in tax havens with bank secrecy laws designed to facilitate tax evasion. I feel that these individuals are worse than the expatriates because they are renouncing their responsibilities to this country while retaining the benefits of citizenship.

Mr. Speaker, there is ample evidence that trusts and other accounts in tax havens are fast becoming a major vehicle for abuse of our tax system. In the Cayman Islands alone, $440 billion are on deposit with over 60 percent of this money estimated to be from United States sources (Barron's, January 4, 1993, pg. 14). Barron's estimates that there is more American money on deposit in the Cayman Islands than in all the commercial banks in California. In addition, Luxembourg has $200 billion on deposit from United States sources and the Bahamas has $180 billion from United States sources (New York Times, October 29, 1989). Legal experts outside the United States told the Washington Post (August 7, 1993) that they were getting a 100-percent increase in the business of offshore transfers every 6 months. An article in the Washington Times (November 7, 1994) quoted a promoter of these schemes as stating ''only fools pay taxes in the United States.'' During the debate on the expatriate issue, there were constant assertions that the problem was neither large nor growing. That argument was dubious in the context of the expatriate issue but would clearly be erroneous in the context of foreign trusts. There is no question that the use of foreign trusts for tax avoidance is a problem that is both large and growing.

U.S. taxpayers are required to file annual information returns on trusts of which they are the grantor showing the aggregate amount of assets in such trusts. However, the rate of noncompliance with these requirements is staggering. The IRS estimates that in 1993 only $1.5 billion of foreign trust assets were

reported. Treasury estimates that tens of billions of dollars of assets could easily be contained in foreign trusts created by U.S. persons. It appears to me that the rate of noncompliance exceeds 85 percent. While no legislation can ensure compliance by everyone, the Treasury Department estimates that my legislation would result in $3.4 billion in additional revenues over 10 years.

Many of these trusts are asset protection trusts established to avoid our tort laws rather than our tax laws. One promoter of asset protection trusts claims to have transferred over $4 billion to offshore trusts. Although these trusts may not be established for tax avoidance, their creators quickly realize that there is no third-party reporting to the Internal Revenue Service and they conveniently fail to report the income as required. Although I question the use of these trusts for what is in effect self-help tort reform, my legislation will not stop the use of these trusts for asset protection but will ensure proper payment of tax on the income from these trusts.

Mr. Speaker, I hope that the legislation that I am introducing today will be considered on a bipartisan basis. Neither party benefits when the public perceives that our tax laws can easily be evaded by wealthy individuals through devices such as expatriation or transfers to foreign trusts. We should be united in our efforts to ensure that there is maximum compliance with our laws. I am troubled by the fact that the Republican efforts to eliminate so-called waste, fraud, and abuse seem to be limited to programs for the poor and middle class. The Republicans decry the error rates in welfare programs and the earned income tax credit but do not seem to be bothered when wealthy individuals avoid tax through foreign trusts in tax havens.

Mr. Speaker, the bill that I am introducing today responds to the problem of tax avoidance through the use of foreign trusts in four ways. First, the bill modifies the current law reporting requirements by increasing the penalties for noncompliance, by providing the Internal Revenue Service with access to information to appropriately tax the income of foreign trusts, and by requiring reporting of trust distributions and large foreign gifts. Second, the bill modifies the grantor trust rules to prevent U.S. grantors from avoiding the provisions requiring current taxation of trust income and to prevent the manipulation of the grantor trust rules by foreign grantors. Third, the bill prevents the use of foreign nongrantor trusts for tax avoidance by modifying the interest charge on accumulation distributions and by treating use of trust property as a constructive distribution. Finally, the bill provides objective criteria for determining the residence of trusts and estates and clarifies the treatment of trust migrations under current law. Following is a brief technical description of these provisions.

I. Reporting Requirements.

A. PRESENT LAW.

Under current law, any U.S. person who creates a foreign trust or transfers property to a foreign trust is required to report that event to the Internal Revenue Service. Also, any U.S. person who is subject to tax under the grantor trust rules by reason of being the grantor of a foreign trust is required to file an annual information return. Civil penalties not to exceed $1,000 are imposed for failures to comply with these reporting requirements.

B. REASONS FOR CHANGE.

Compliance with the existing reporting requirements is minimal. Also, many foreign trusts are established in tax havens with strict secrecy laws. As a result, the IRS is often unsuccessful when attempting to verify the income earned by foreign trusts.

C. DESCRIPTION OF BILL.

The bill makes the following changes to the reporting requirements applicable to foreign trusts:

1. First, the bill increases the penalty for failure to comply with the current law requirement to notify the Internal Revenue Service when transferring assets to a foreign trust. The penalty for failing to comply with this requirement would be increased to 35 percent of the value of the property involved. The penalty would be increased in the case of failures that continue after notification by the Internal Revenue Service.

2. Second, the bill makes a U.S. grantor of a foreign trust responsible for ensuring that the trust files annual information returns. The U.S. grantor would be liable for penalties in the case of noncompliance.

The bill also ensures that the Internal Revenue Service will have adequate access to information to determine the proper tax treatment of U.S. grantors of foreign trusts by requiring foreign trusts with U.S. grantors to have an agent in the United States to accept service of process. This provision is similar to a current law provision requiring foreign corporations with U.S. subsidiaries to have U.S. agents.

3. Third, the bill requires U.S. beneficiaries of foreign trusts (including grantor trusts) to report distributions from those trusts and be able to obtain sufficient records to determine the appropriate tax treatment of the distributions.

The bill would also require U.S. persons to report gifts or bequests from foreign sources in excess of $10,000.

II. Grantor Trust Rules

A. PRESENT LAW

Under current law, existence of a trust is disregarded where the grantor or other person holds certain powers over the trust assets. These rules, called the grantor trust rules, result in the grantor or other person being subject to current taxation on the income of the trust. These rules are anti-abuse rules designed to prevent to prevent shifting of income to beneficiaries likely to be taxed at lower rates.

In order to prevent tax avoidance by transfers by U.S. persons to foreign trusts, section 679 requires income from assets transferred to foreign trusts to be currently taxed in the income of the transferor even though he has no powers over the trust assets.

B. REASON FOR CHANGE

Taxpayers have avoided the application of section 679 by structuring transfers to foreign trusts as sales in exchange for trust notes. Also, foreign persons becoming residents of the United States often avoid section 679 by transferring their assets to a foreign trust before becoming a U.S. resident.

Under existing grantor trust rules, a foreign grantor can establish a trust for the benefit of U.S. beneficiaries and avoid tax on the income paid to the U.S. beneficiaries by retaining certain powers over the trust assets. The retention of limited administrative powers is sufficient for this result.

C. DESCRIPTION OF BILL

The bill makes the following changes to section 679 which requires U.S. transferors to be taxed on the income of foreign trusts:

1. In determining whether a transfer qualifies for the current law exception for sales at fair market value, debt obligations of the trust or related parties will be disregarded.

2. A foreign person who becomes a U.S. resident will be subject to tax under section 679 on the income of property transferred to a foreign trust within 5 years of becoming a U.S. resident.

(3) If a domestic trust becomes a foreign trust during the lifetime of a U.S. grantor, the grantor will be subject to tax under section 679 on the income of the foreign trust.

The bill provides that the grantor trust rules apply only to the extent they result in current taxation of a U.S. person. This provision would not apply in the case of revocable trusts, investment trusts, trusts established to pay compensation, and certain existing trusts. This provision also would not apply where the grantor is a controlled foreign corporation, personal holding company, or passive foreign investment company.

III. U.S. Beneficiaries of Foreign Nongrantor Trusts

A. CURRENT LAW

1. Accumulation distributions

A U.S. beneficiary of a foreign trust which is not a grantor trust is taxed on the income of the foreign trust only when it is distributed. If the trust accumulates income and then distributes the accumulated income, there is an interest charge imposed on the beneficiary to eliminate the benefit of the tax deferral. The interest charge is based on a 6-percent rate with no compounding and the distribution is allocated to the earliest years with undistributed income.

2. Use of trust property

Under current law, taxpayers may assert that use of trust property by a beneficiary does not result in an amount being treated as constructively distributed to the beneficiary.

B. REASONS FOR CHANGE

1. Accumulation distributions

To effectively eliminate the benefit of the tax deferral in the case of accumulation distributions, the interest charge should be based on market rates with compounding.

2. Use of trust property

If a corporation makes corporate assets available for personal use by a shareholder, the shareholder is treated as receiving a corporate distribution equal to the fair market value of that use. In the case of domestic trusts, the absence of such a rule affects only which person is liable for the tax but not the amount of income subject to tax. However, the absence of such a rule in the case of foreign trusts can result in U.S. beneficiaries enjoying the use of trust income without any tax.

C. DESCRIPTION OF BILL

1. Accumulation distributions

For periods after December 31, 1995, the interest charge on accumulation distributions would be computed using the rate and method applicable to tax underpayments. Also, for purposes of computing the interest charge, the accumulation distribution would be allocated proportionately among the prior trust years with undistributed income rather than to the earliest of such years.

2. Use of trust property

The bill treats a loan of cash or marketable securities to a U.S. beneficiary as a constructive distribution. The bill also treats other uses of trust property as constructive distributions in an amount equal to the rental value of the property

IV. RESIDENCE OF TRUSTS

A. PRESENT LAW

The Internal Revenue Code does not contain objective criteria for determining whether an estate or trust is domestic or foreign. Court cases and rulings have applied a

variety of factors in determining the residence of an estate or trust. Also, the treatment of trust migrations under current law is unclear.

B. REASONS FOR CHANGE

Because the tax treatment of an estate or trust depends on its residence, it is appropriate to provide objective criteria for this determination.

C. DESCRIPTION OF BILL

The bill would provide that an estate or trust would be treated as domestic if a domestic court exercises primary supervision over its administration and one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust. In other cases the estate or trust would be treated as foreign.

The bill would also provide that, when a domestic trust becomes a foreign trust, the trust would be treated as having made a transfer for purposes of section 1491 of the Code.

INDIA SHOULD RECOGNIZE FREE SIKH NATION OF KHALISTAN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. CRANE. Mr. Speaker, I rise today to bring to the attention of the House a situation in India which is very troubling. This situation involves the treatment of the Sikh people living in India.

Since 1984 over 120,000 Sikhs have been killed, and other ethnic groups have had thousands of their members killed as well. The recent abduction of Human Rights Wing leader Jaswant Singh Khalra is but the least incident of repression focused on the Sikh people.

On October 7, 1987, the Sikh Nation declared its independence, forming the separate, independent country of Khalistan. At that time, Sikh severed all political connection with India, as we did with Britain in 1776. Sikhs were supposed to receive their own state in 1947, but were deceived by Indian promises of freedom. They ruled Punjab during the 18th and 19th centuries. They have their own language, religion, and culture. Clearly, the Sikh claim to independence is a legitimate one.

I am introducing into the CONGRESSIONAL RECORD a speech given on August 15, 1995 by Dr. Gurmit Sikh Aulakh, President of the Council of Khalistan, the Khalistani Government in exile, at a conference on self-determination held at the Luther Institute. It lays out the case for Khalistan. I urge my colleagues to read it carefully and consider his claims for Sikh independence.

I certainly support the Sikhs' claim for independence and a separate nation of Khalistan.

The speech follows:

Ladies and gentlemen—I am very happy to be here today and to be given the opportunity to speak to you today on the topic of self-determination. Ironically, today is India's Independence Day. And since India continues to suppress Sikh independence while celebrating its own, I led a demonstration of Sikhs in front of the India ambassador's residence today to express our disapproval. So, forgive me if my voice is not 100 percent.

For the past decade I've been intimately involved with the issue of self-determination. As President of the Council of Khalistan, I have been charged with working in the international community to secure the independence of the Sikh nation from the brutal oppression of the government of India. In the minds of many Westerners, India is a land of peace and spiritual tranquility—the land where problems are solved not through violence but through civil disobedience. The experience of the Sikhs—to say nothing of the Muslims of Kashmir, the Christians of Nagaland, the Assamese, Manipuris and the Dalits—has been quite the opposite.

Let me provide you with a few figures. Since 1984, the Indian regime has murdered more than 120,000 Sikhs. Since 1947 India has killed over 150,000 Christians in Nagaland. The Muslims of Kashmir claim a death toll of 43,000 at the hands of Indian forces. Tens of thousands of Assamese and Manipuris have also been killed. The Dalits—the so-called ''black untouchables'' of India—are perhaps the most oppressed people on the face of the earth. Just last week newspapers and wire services carried the story of a five-year-old Dalit girl who was beaten and blinded by her teacher after she drank from a pitcher reserved for the upper castes.

Press reports state that 70,000 Sikhs are being held in detention by the Indian regime at the present time. The State Department reported that between 1991 and 1993, the regime paid more than 41,000 cash bounties to policemen for the murder of Sikhs. Human Rights Watch issued a report in 1994 which quoted a Punjab police officer as saying that ''4,000 to 5,000'' Sikhs were tortured at his police station during his five-year tenure. There are over 200 such police stations/torture centers in Punjab. Indeed, the Sikh homeland can rightfully claim the title of the torture capital of the world.

Why is there such oppression against the Sikhs and other minority nations in India? The answer brings us back to the issue before us today: self-determination. All the nations and peoples suppressed by the Indian regime have in one way or another attempted to exert their independence either politically or culturally. In the case of the Sikhs, we have demanded outright sovereignty and separation from India, having declared our independence on October 7, 1987, forming the separate country of Khalistan.

The International community upholds the right of self-determination for all nations. Here in America, the political system is predicated on the principle that when any government no longer protects the life, liberty and security of the people it rules, it is the people's right to rid themselves of that government. The principle that the consent of the governed underlies all legitimate government is fundamental to the American idea. These two principles are being exported around the world. But in too many places today, these principles are being widely violated. One such country is India.

The government of India has attempted to rob the Sikhs of our nationhood at every turn. It should be known that the Sikh nation ruled all of Punjab from 1710 to 1716 and again from 1765 to 1849. Our reign extended well into present-day Pakistan and Kashmir, stopping at the Khyber Pass.

In the mid-19th century, British power and influence expanded on the subcontinent, but the Sikhs were the last nation to fall. We were also the first to raise the cry for independence. During the struggle to oust Britain from the subcontinent, 85 percent of those hanged by the British were Sikhs; 80 percent of those exiled were Sikhs; and 75 percent of those jailed were Sikhs. And at that time, the Sikhs constituted less than 2 percent of the population of the subcontinent. The Sikh nation's contributions to the freedom of the subcontinent cannot be underestimated.

When the British first arrived on the subcontinent, they dealt with the Sikhs as a separate nation, fighting a series of three wars with the Sikhs. When the British left the subcontinent, they again dealt with the Sikhs as a separate, distinct, sovereign nation. Thus during its withdrawal, the British transferred power to three nation-groups, the Muslims, the Hindus and the Sikhs. The Muslims took Pakistan on the basis of religion. The Hindus took India, and the Sikhs took their own homeland, opting to join with the Hindus on the solemn assurances of Indian leaders like Jawarhar Lal Nehru and Mahatma Gandhi that no laws unacceptable to the Sikhs would be passed by the Indian Congress. I quote Nehru who said to the Sikhs: ''The Congress assures the Sikhs that no solution in any future constitution [of India] will be acceptable to the Congress which does not give the Sikhs full satisfaction. I also quote Mahatma Gandhi who told the Sikhs the following: ''Take my word that if ever the Congress or I betray you, you will be justified to draw the sword as taught by Guru Gobind [Singh].''

Implicit in these assurances is the recognition of that the Sikhs as a nation possess the right of self determination. Indeed, Nehru and Gandhi were not ordering the Sikhs to join their grand vision of an India encompassing the entire subcontinent. In fact they possessed no such power over the sovereign Sikh nation. Rather they were attempting to woo the Sikhs as a nation to join their union, something at which they failed with the Muslims. In retrospect, the Sikhs made the wrong decision; but having made that decision, we never forfeited our right to self determination.

Indeed, Sikh history under Indian rule is a history of constant agitation for our most basic rights as a nation, and India has betrayed its promises to the Sikhs at every turn. In 1950, when India ratified its constitution, the Sikh representatives at the Constituent Assembly refused to sign the constitution because it was inimical to Sikh interests, contrary to what both Mahatma Gandhi and Jawarhar Lal Nehru promised. Since then Sikhs have been struggling to reclaim their nationhood

In June 1984, India's attempt to suppress the Sikh nation reached a climax. The Indian army launched a military assault on the Golden Temple, the holiest of Sikh shrines. Over 20,000 Sikhs were killed. The Akal Takht, which houses the original writings of the Sikh gurus was destroyed. Thirty eight other Sikh temples throughout the Sikh homeland were also attacked. Make no mistake about it, the reason India likes to attack important temples is because it symbolically reinforces the government's total domination over a given people. To put it another way, India wanted to show the Sikhs who was the boss.

This is India's way—complete denial of self determination, even if it means military action. The Sikhs, therefore, appeal to the international community to support their right to freedom as a sovereign nation. Despite its constitution, India has proven itself anti-democratic. Despite its image as the home of spiritual tranquility, India has proven itself one of the worst violators of human rights in the world. The time has come for the world to demand that India honor the freedom of the Sikh nation and other nations that struggle against its repressive policies.

On February 22, 1995 the U.S. Congress took a step in this direction when 30 Members of the House introduced House Congressional Resolution 32, which expresses the Congress's opinion that ''the Sikh nation should be allowed to exercise the right of self-determination in their homeland, Punjab Khalistan.''

I encourage similar action throughout the international community. A cursory look will tell the casual observer that India is not one nation. Rather it is a conglomeration of many nations thrown together for administrative purposes by the British. With 18 official languages, India is doomed to disintegrate just as the former Soviet Union did. Freedom for Khalistan and all the nations living under Indian occupation is inevitable. The Sikh Nation's demand for an independent Khalistan is irrevocable, irreversible, and nonnegotiable. We have been denied our right of self-determination too long. India's lip service to the principle holds no water. The time is now for the international community to pressure India with economic sanctions to honor the freedom of Khalistan. The time is now for the Indian government to sit down with the Sikh leadership and formally recognize the clear boundaries which separate Khalistan from India. Sikhs have motto that says, ''*Khalsa Bagi Yan Badshah:* Either the Sikhs rule themselves or they are in rebellion.'' The Sikh nation will not rest until freedom is ours. It is our tradition. We are secure in our right to self-determination, and we will allow no foreign power to determine our fate,

Thank you.

CENTRAL SYNAGOGUE HONORED FOR YEARS OF SERVICE

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues one of New York City's great centers of Jewish religion and culture. Founded 156 years ago, the Central Synagogue in Manhattan has played an important role in the development and growth of New York's secular and religious life.

In addition to serving as a pillar of New York's Jewish community, the Central Synagogue plays an active role in the community at-large. The Synagogue, through its wonderful members and staff, provides one-on-one English lessons for recent immigrants, food for 350 homeless persons per week, and a citywide AIDS service.

Completed in 1872, the Syngogue itself is one of New York's greatest landmarks. The imposing moorish sanctuary was designed by Henry Fernbach, the first Jewish American architect, and was subsequently designated as a National Landmark.

Two years ago, the Synagogue embarked one of the most ambitious capital revitalization projects in the congregation's history. On September 28, 1995, the first step in this revitalization program will be completed when the sanctuary is finally rededicated. Having meticulously restored the stain glass window and facade, the Central Synagogue will once again assume its position as one of the most beautiful and striking sights in New York.

Mr. Speaker, there is a great deal to be proud of in New York City. The majesty, history and vitality of the Central Synagogue is something that we can all take pride in. I congratulate the Synagogue on the restoration of its sanctuary and wish the entire congregation luck as it continues with its capital improvement campaign.

THE ETHIC OF SERVICE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. JACOBS. Mr. Speaker, Leslie Lenkowsky, president of the Hudson Institute and member of the board of directors of the Corporation for National Service, has written a most enlightened and thoughtful article which was published by the Washington Times on August 4, 1995.

I insert the article in the RECORD.

[From the Washington Times, Aug. 4, 1995]

THE ETHIC OF SERVICE

(By Leslie Lenkowsky)

Today, the General Accounting Office is scheduled to issue the draft report of its analysis of AmeriCorps, the 10-month-old national service program.

If some in Congress had their way, this year would be AmeriCorps' last—the House voted Monday to provide no further funding. The GAO report, and my own experience as a member of the board of directors overseeing AmeriCorps, suggest the Senate should take a second look.

Here's what GAO concludes: AmeriCorps itself is investing slightly less per participant than originally estimated. Other parts of the federal government are also providing support, in nearly exactly the amounts AmeriCorps had predicted.

Parts of the GAO Report will trigger debates between supporters and directors of AmeriCorps—including whether private sector contributions, or state and local support, are a valuable benefit or just an addition to cost. But the bottom line for Congress' consideration should be that over which it has responsibility—the federal contribution—and there, AmeriCorps is right on budget.

GAO suggests that AmeriCorps is also on mission. The audit teams found local programs doing exactly what Congress had intended: rehabilitating housing, tutoring, analyzing crime statistics and developing prevention measures, strengthening communities, encouraging responsibility and expanding opportunity.

These findings track an earlier cost/benefit study done by an impressive team of economists. Like GAO, the economists didn't establish either AmeriCorps' costs or its benefits—but did present a well-reasoned estimate of what AmeriCorps may produce, if programs are held to their contractual objectives.

Therein lies Congress' challenge. GAO shows that it would be disingenuous to kill AmeriCorps on the basis of cost. It isn't costing the taxpayer any more than was intended, and it is difficult to premise fiscal salvation on a savings that amounts to less than one-thirtieth of a penny on a tax dollar.

Nor is it fair to attack AmeriCorps as the death-knell of selfless charity. AmeriCorps is too small for that, and Americans are too big. In the main, AmeriCorps members provide local charities with useful resources that can make more effective the voluntary assistance you and I can provide.

So should we worry about AmeriCorps being a political Trojan Horse—or at least a stalking horse for Clinton-Gore '96. I have to admit that I have been watching this topic very carefully. One test of intent and not rhetoric came in the willingness to examine the activities of ACORN Housing Corporation, an investigation I pushed for as a Board Member. The Corporation for National Service did the right and thorough thing—and even the Washington Times praised the outcome.

Politics can be expected to intrude upon nearly every policy debate. But Republicans have alternative to killing AmeriCorps. They can recognize that the initiative's foundations—responsibility, opportunity and citizenship—are distinctly Republican ideals (advanced with eloquence in William F. Buckley's ''Gratitude,'' although not an endorsement of a new program). And AmeriCorps' structure places the bulk of the money and much of the decisionmaking in the hands of the states—thanks to Republican efforts when the legislation was drafted in 1993. Finally, despite the fracas within the Beltway, in the heartland this thing is wildly popular—with Republican governors like New Hampshire's Steve Merrill and many others; with businessmen who like the results they see in their own markets; with ordinary voters who (in Wall Street Journal polls) have wanted to defend AmeriCorps even more than Big Bird.

No, AmeriCorps won't revolutionize America—whether it's Newt Gingrich's revolution or Bill Clinton's. But it is making a difference for America in a distinctly American way. And it deserves both time and constructive criticism. As the Congress and the president do the job they have been elected to do—set national budget priorities—I would encourage them to emphasize innovative ways of using government to strengthen (not overpower) communities and encourage the ethic of service. Those goals can provide real meaning to the search for common ground.

TRIBUTE TO THE 1995 INDUCTEES TO THE ENTREPRENEURSHIP HALL OF FAME

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. LIPINSKI. Mr. Speaker, I rise today to recognize the entrepreneurial achievements of a select group of leaders from the Chicago metropolitan business community. I am proud to salute these entrepreneurs and founders of small and mid-sized businesses for their induction into the 11th Annual Entrepreneurship Hall of Fame, Thursday evening, October 19, 1995, in Chicago.

The Institute for Entrepreneurial Studies in the College of Business Administration at the University of Illinois at Chicago cofounded and continues to sponsor the Entrepreneurship Hall of Fame, honoring outstanding business leaders whose spirit and success help keep America's business community strong and vital.

The sponsors, the Arthur Anderson Enterprise Group, William Blair & Company, LaSalle National Bank, Lord Bissell & Brook, and the University of Illinois Chicago, have enabled the university to cement this partnership and recognize outstanding entrepreneurs. The program is exceptional because it creates an active partnership between the academic and business communities. Students and entrepreneurs alike benefit from an exchange of knowledge, experience and creativity.

Today, I would like to congratulate these leaders, each of whom is listed below, for using their imagination and resources to foster an excellent program which enhances the quality of higher education and underscores the value of entrepreneurship in America. I am sure that my colleagues join me in recognizing

these entrepreneurial leaders for their important contributions to employment generation, the entrepreneurial spirit and our great Nation.

1995 INDUCTEES TO THE ENTREPRENEURSHIP HALL OF FAME

Robert Alcala
Richard Alcala
Robert H. Boller
Phillip Corcoran
Charles Wolande
Tom Corcoran
Barbara R. Davis
James L. Gaza
Sue Ling Gin
James L. Hanig
Henry Kalmus
Donald Lord
Helene J. Kenton-Taylor
Terry L. Kirch
Jim Liautaud
Richard B. Mazursky
Jack Miller
Melody O'Neal
Shan Padda
Bruno A. Pasquinelli
Anthony R. Pasquinelli
Frank Portillo
Michael A. Regan
Sally J. Rynne
Robert Sapio
Mitchell H. Saranow
Gary F. Seamans
Gordon Segal
Bill Steffenhagen
Ann Steffenhagen
Sanford Takiff
Janet Taylor
Charlie H. Trotter
Bob M. White
Arthur W. Wondrasek Jr.

A STRONG MARITIME INDUSTRY

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. GALLEGLY. Mr. Speaker, as events in Bosnia, the South China Sea, and the Persian Gulf have demonstrated time and again, it is absolutely critical that the United States maintain a strong Navy, Merchant Marine, and shipbuilding and repair industrial base.

Since the end of World War II, which we recently commemorated, our Merchant Marine has fallen from over 3,000 vessels to today's 350 vessels flying the Stars and Stripes. It has been over 60 years since the Merchant Marine Act was signed into law and 25 years since the Congress last approved a maritime promotion program.

Similarly, American shipyards, which, in 1944 produced surface combatants at a rate of 1 every 2½ weeks, are now down to 6 primary construction yards bidding on less than 10 new vessels each year.

These statistics are unacceptable and must be reversed. This Nation needs a new maritime program which will help preserve our shipbuilding industrial base while providing the U.S.-flag commercial shipping capability necessary to maintain our military and economic security.

These sentiments were forcefully stated recently by Senator TRENT LOTT who Chairs the Subcommittee on Surface Transportation and Merchant Marine. Senator LOTT stated that,

> Without a U.S. merchant fleet and a powerful U.S. shipbuilding industry, the U.S. would have to depend on foreign interests for sealift and logistics support.

In his testimony before Senator LOTT's subcommittee, Gen. Robert Rutherford, Commander of the U.S. Transportation Command, stated that:

> We have not forgotten the importance of the U.S. maritime industry to our overall sealift capabilities. Just as we did in the Gulf War, Somalia, and most recently back to the Gulf, we rely extensively on our commercial partners to support our worldwide commitments.

Today, the Congress has an opportunity to reverse the recent trends in our commercial shipping experiences.

H.R. 1350, the Maritime Security Act of 1995, and the Senate counterpart, S. 1139 would initiate a 10-year program to create a Maritime Security Fleet which would boost national security, stimulate the economy and domestic shipbuildings and promote a stronger, more efficient U.S. flag commercial fleet.

In a letter to the Commerce Committee, our colleagues HERB BATEMAN, RANDY CUNNINGHAM, CURT WELDON and others stressed that the:

> Enactment of H.R. 1350 will preserve and create American maritime jobs, generate much-needed revenues for federal and state taxing authorities, improve our balance of trade and ensure that our country will not become totally dependent on foreign nations and foreign crews to transport the supplies and equipment needed by American servicemen oversees.

With respect to domestic shipbuilding, a recent study released by the Maritime Administration indicated that jobs in commercial shipbuilding had declined some seven percent in 1994 and only one ocean-going commercial ship is currently on order.

While Navy shipbuilding has been the salvation of our shipbuilding industrial base over the past 7 years, the number of new orders is on the decline and must be stabilized at an adequate number. The Congress must continue to provide funding for the nuclear attack submarine fleet, the AEGIS surface combatant fleet and the amphibious and auxiliary ships necessary to support our Marine and Army forces.

Finally, the Congress can ensure the preservation of the U.S.-flag commercial fleet by resisting the proposal to repeal the Jones Act.

Since 1789, the United States has maintained a preference for carrying domestic commerce on U.S.-built, U.S.-flag vessels. In 1920, the Congress enacted the Jones Act mandating that cargoes carried between U.S. ports would be transported on U.S.-flag, U.S.-crewed vessels. These laws were seen as a way to promote the U.S. maritime industry as well as to ensure safe transportation and national defense considerations.

There are those who want to repeal the Jones Act claim the law is protectionist in nature. And, they may be correct. But, some form of Federal investment to promote a U.S. flag commercial fleet can be justified. Unlike the ocean-going fleet, the Jones Act operators do not receive any subsidy from the Federal Government either for operations or for construction. If preferential cargo treatment is the price we must pay to ensure that foreign flags-of-convenience carriers, who are not subject to U.S. safety laws and who cannot be counted on for our national defense do not enter our domestic commerce, then the investment may well be worth it. We simply cannot allow foreign vessels to gain total control over our domestic waterborne trade.

In addition, as Al Herberger, head of the Maritime Administration testified:

> When a U.S. shipper chooses to move cargo on a U.S.-flag vessel as opposed to a foreign-flag vessel, most revenue that is paid for freight remains in the U.S. economy. On the other hand, freight paid to foreign flag operators, increases our trade deficit because that revenue goes to foreign nationals.

Again, as Senator LOTT stated at his subcommittee's hearing:

> I want to maintain and promote a U.S.-flag fleet, built in U.S. shipyards and manned by U.S. crews . . . when I go home, I want to see the greatest amount possible of Mississippi agricultural products . . . moving on U.S. built and flagged ships.

The Jones Act, since its inception, has provided an important service to the U.S. economy and the maritime industrial base. Previous attempts have been made to repeal this law. However, the majority in the Congress has always resisted these ill-conceived attempts to destroy the U.S.-flag commercial fleet. In fact, on July 24 the House reaffirmed its commitment to the principals of cargo preference embodied in the Jones Act when it voted 324 to 77 to permit the export of Alaskan North Slope oil exclusively on U.S.-flag tankers.

Mr. Speaker, since the beginning of our history, this Nation has recognized that as a maritime Nation dependent on secure transport of ocean-borne commerce and military strength, we must remain committed to a strong maritime industry, led by a viable U.S.-flag merchant fleet. This simple fact has not changed in over 220 years and must not change now. The Congress must continue to support a strong Navy, a viable merchant marine, and an efficient shipbuilding industrial base.

TRIBUTE TO EARL BALTES

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. BOEHNER. Mr. Speaker, I want to recognize Earl Baltes for his past and present efforts as a race track owner and promoter. Earl has been a promoter of auto racing for most of his life, providing race fans with the excitement of sprint car racing for more than 40 years.

Earl's racetrack, Eldora Speedway is just north of Greenville, OH, and has hosted veteran drivers such as Mario Andretti, A.J. Foyt, Johnny Rutherford, Roger McCluskey, and Bobby and Al Unser, Sr. just as they were beginning their careers. More recently, up and coming racers including Jeff Gordon, Ken Schrader, Ernie Irvan, and Jeff Purvis have competed at Eldora. Certainly, Eldora Speedway and the name Earl Baltes is familiar throughout the auto racing industry. While there may be a few who have raced at Eldora and do not have fond memories, they all fondly remember Eldora Speedway and Earl.

Earl's hard work and perseverance have come to fruition. Eldora Speedway ranks among the premier short-track facilities in the nation—attracting auto racing drives and fans from across the country and throughout the world. His dream of turning a cornfield into a top ranked race track has become a reality.

At age 74, when many have settled down to a life of retirement, Earl continues to thrill race fans with some of the greatest sprint car racing in the world. The sport has changed a great deal since Earl built Eldora Speedway in 1954, and only through determination and hard work has Earl remained successful.

Therefore, Mr. Speaker, I want to recognize Earl Baltes and thank him, on behalf of my district and on behalf of race fans everywhere for giving race car drivers the opportunity to excel and for providing fans the thrill of auto racing.

RYAN WHITE CARE ACT AMENDMENTS OF 1995

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Ms. HARMAN. Mr. Speaker, I rise in strong support of the Ryan White CARE Act. Its four different titles will continue to bring critical medical and support services to people with HIV/AIDS through the year 2000. It also provides for training programs for health practitioners who treat HIV-positive individuals, and funds demonstration projects to treat and care for HIV-infected individuals with particular needs. The CARE Act is a proven success, and I strongly urge its passage.

There is a very human face to HIV and AIDS, and I have witnessed the way that AIDS has impacted the lives of many of my constituents and my friends. Elizabeth Glasser touched my life deeply. She dedicated her life to raising awareness about pediatric AIDS, courageously fighting until she died. Her commitment demonstrated how much one person can do. The Children Affected by AIDS Foundation [CAAF], is another example. CAAF was started in 1993 by Joe Cristina, a vice-president at Mattel in El Segundo, who is also HIV positive. Its mission is to raise funds and support grassroots agencies nationwide that provide direct care, support, and assistance to children with AIDS. CAAF successfully involves corporate America, Hollywood, the media, service providers, advocates, and community organizations. Although CAAF has been incredibly successful in raising private support to combat pediatric AIDS, the Ryan White Act is critical to its continued success. Women's Link, located in Marina del Rey, is an information center for women with HIV that also relies on Ryan White Act funds, as does the Santa Monica AIDS Project, another successful program serving hundreds in my district.

Regrettably, Los Angeles stands to lose money under title I and title II of the bill because its appropriations are not sufficient to adequately fund currently eligible and newly added cities. The Senate version has a clause that allows the Secretary of Health and Human Services to fully fund the currently eligible cities in the second year. I strongly support that provision.

I strongly urge Congress to pass this authorizing legislation, and to fully fund the Ryan White CARE Act. The lives of over 1 million Americans infected with the AIDS virus depend on it.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996

SPEECH OF

HON. JENNIFER DUNN

OF WASHINGTON

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. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

Ms. DUNN. Mr. Chairman, I want to state for the record my strong support of H.R. 1655, the fiscal year 1996 Intelligence Authorization Act which the House passed last week. First, I would like to commend the chairman of the Select Committee on Intelligence, Congressman LARRY COMBEST, for reporting out a find bill that quite appropriately authorizes those intelligence functions that are consistent with out Nation's vital national security needs.

I believe the committee was wise to chose no longer to view the intelligence budget merely in terms of straight dollar figures. Dramatic changes in the geopolitical and military landscape during the last decade have significantly impacted key aspects of United States security. The magnitude of those changes continues to evolve in uncertain directions as do the implications for America. In other words, while the world is dramatically different from the cold war years, it remains an unstable and therefore dangerous place.

It is, in my view, entirely appropriate to continue the process of analyzing threats to U.S. borders, to our military, and to American leaders and citizens traveling or living abroad. And we must analyze them under the new terms of the evolving post-cold-war dynamic. As we prepare for the 21st century, I appreciate the committee's efforts to emphasize a more intense and evaluative consideration of our intelligence functions. As stated in the committee report that accompanied H.R. 1655, ''each [intelligence] program adjustment was considered as an individual, substantive issue.'' that, Mr. Chairman, is exactly what the taxpayers of the Nation expect and deserve.

Given the considerable importance and wide-reaching implications of the intelligence programs authorized in this bill, this bill is a remarkable accomplishment. H.R. 1655 is in keeping with the 104th Congress's disciplined effort to balance the Federal budget, and is a perfect example of our desire to scrutinize everything funded with the public dollar. Further, it exemplifies American legislative policy that supports not only our national interests but our drive to keep federal spending under control. I am proud to express my support for it.

SUPPORTING A DISPUTE RESOLUTION IN CYPRUS

SPEECH OF

HON. MICHAEL PATRICK FLANAGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 18, 1995

Mr. FLANAGAN. Mr. Speaker, I rise in strong support of House Concurrent Resolution 42, of which I am a cosponsor. I am most encouraged that the House unanimously passed this legislation on September 18, 1995. House Concurrent Resolution 42 encourages a resolution to the long standing dispute regarding Cyprus. It is a step toward securing world peace and will be of benefit to both Greek Cypriots and Turkish Cypriots.

Cyprus has endured the pain of 20 years of political deadlock since Turkey invaded its shores in 1974. Turkey's invasion drove over 200,000 Cypriots from their home, making them refugees in their own land. Over one-third of Cyprus was seized by the Turkish invaders who took 70 percent of the island's economic wealth and resources. Five Americans are part of the more than 2,000 inhabitants that are still missing.

Today, Greek Cypriots, which make up nearly 80 percent of the population, live in the southern two-thirds of the island. Turkish Cypriots live in the Turkish Republic of Northern Cyprus which is only recognized by Turkey. More than one-third of the sovereign territory of the Republic of Cyprus is under occupation by over 30,000 heavily armed troops. As the resolution points out, the Secretary General of the United Nations has stated that the occupied part of Cyprus is one of the most highly militarized areas in the world. Demilitarization of Cyprus, which is called for in House Concurrent Resolution 42, would reduce tension and help promote resolution of this over-20-old dispute.

Many sincere attempts have been made over the past years to resolve the Cyprus problem, but to no avail. Despite their best efforts, Presidents of both parties have been vexed by the situation. It is time for a new approach. Last year, President Glafcos Clerides of Cyprus unveiled a proposal for demilitarization which is, in part, incorporated into House Concurrent Resolution 42.

The House has sent out a clear message that the status quo on Cyprus is unacceptable and the resolution of the problem must be achieved. House Concurrent Resolution 42 is a well-reasoned bipartisan measure that will help to stabilize the eastern Mediterranean and benefit all, including the United States of America.

NATIONAL PARK SYSTEM REFORM ACT OF 1995

SPEECH OF

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, September 18, 1995

Mr. REED. Mr. Speaker, I recognize the serious difficulties that face our National Park System, including the deterioration of our public lands and the impact of likely budget cuts. Like many of my colleagues, I strongly believe that we must address these challenges. However, I do not believe that H.R. 260 is the best way to do so.

Two bills intended to reform the National Park Service have been introduced to the House of Representatives this year. Both of these measures, H.R. 260 and H.R. 2181, recognize the need for efforts to improve the management of our national parks, but they adopt very different approaches toward this important goal.

H.R. 2181 would generate the revenue that our National Park Service needs to improve its visitor services and repair roads and trails in parks across the country. This bill would require individuals who sell concessions in our national parks to provide a fair return to our Nation's citizens for the first time in decades. H.R. 2181 would also make modest modifications in the fees charged for the use of our national parks and would direct the added revenue toward the needs of the National Park System.

H.R. 260 would require the Interior Department to develop a comprehensive plan for the

future of the National Park System. This bill, however, would also create a closure commission to recommend which of our nation's park units should be closed or privatized. Among the likely targets of such a commission would be hundreds of small, but important parks across the country.

One such park is the Roger Williams National Memorial in Providence, RI. This park is very small, both in its area and its demands on Federal funding, but it meets a large need of many Rhode Islanders. Each year, nearly 150,000 people visit the park, which, like its namesake, represents the best of our country. Roger Williams, who founded my home State, remains a proud example of our Nation's commitment to religious freedom. The park bearing his name honors his contribution to our Nation's history and provides Rhode Islanders with a needed recreational and environmentally preserved area in our State's capital city.

The status of the Roger Williams National Memorial and the hundreds of parks like it nationwide is a critical issue that deserves full and open debate. However, by bringing H.R. 260 to the floor under suspension of the rules, the Republican majority prevents open debate on this issue. Today, the House will not even consider H.R. 2181, despite the fact that this well-crafted measure is sponsored by distinguished members of both parties.

I urge my colleagues to stand for open debate on the future of our national parks. I urge my colleagues to oppose H.R. 260.

NATIONAL PARK SYSTEM REFORM ACT OF 1995

SPEECH OF

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 18, 1995

Mr. LAZIO of New York. Mr. Speaker, I rise today to oppose H.R. 260, the National Park System Reform Act. Though there is a need to review the viability and status of national parks, in this era of fiscal constraint and increasing demand on the park system, the issues of park reform and review are not simple ones. This type of legislation should not be brought up under the suspension of the rules. The gravity of this bill calls for further debate and the possibility of offering amendments to this bill.

H.R. 260 would establish an 11-member Natural Park System Review Commission, which would make recommendations to Congress regarding which parks should be closed or managed differently. This commission does not have the authority to close or modify parks of its own accord and only presents non-binding recommendations to Congress. Nevertheless, we need to ensure that these recommendations are not simply rubber-stamped by Congress, but are, indeed, thoroughly reviewed.

Coastal areas are unique in character, and our national seashores should not be grouped along with the land-locked national parks when a review is made. My specific concern is for the preservation of the Fire Island National Seashore in its present form. This barrier island stands defiantly facing the Atlantic Ocean while protecting the waters of the Great South Bay and the mainland of Long Island. Fire Island residents have created 17 separate communities not only for summer recreation, but also to preserve the island's natural heritage. Congress was wise to grant Fire Island its current status as a National Seashore. A determination of this importance should not be reserved without proper safeguards. In order to continue to preserve our coastline's natural heritage, we need to ensure that Fire Island is protected in its present form. Bringing this bill up under the suspension of the rules without the opportunity to offer amendments or for additional debate will not ensure the proper protection for the Fire Island National Seashore or other coastal parks. I urge my colleagues to defeat H.R. 260 under the suspension of rules. This is not the right legislative procedure for a proper review of our national parks.

HONORING JAZZ GREAT BARRY HARRIS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mr. CONYERS. Mr. Speaker, today I rise to honor jazz pianist, composer, and teacher, Barry Doyle Harris. Barry was born gifted, and started learning piano at the age of 4 from his mother. He followed in her footsteps and played for his church, but soon became fascinated by jazz. He played in his hometown of Detroit throughout the 1950's, the time when I was first awestruck by his shows. In those years, his piano genius took him from the bowling alleys to the Blue Bird Inn, the Motor City's most prominent jazz club. Already, he had as much a passion for imparting his knowledge of music as he had for performing it.

He put out his first album in 1955 at the age of 25 under the direction of Donald Byrd. That same year he worked for several months with Miles Davis. By 1957, he was widely acclaimed in bebop circles and he began teaching formally that year. In 1960, he took his act to New York City where he played with Cannonball Adderley, Yusef Lateef, and Coleman Hawkins for many years. In the early 1980's, he played with a 75-piece orchestra, performed at Carnegie Hall, and then founded the Jazz Cultural Center, an educational institute and club in Manhattan.

From the day that Barry Harris started teaching, he knew that talent was really a torch to pass on to the next generation. This brought him to a lifelong commitment to getting young people exposed to jazz, keeping music in the schools, and defending the larger role of the arts in our society. He once said, ''Teachers should teach where they come from, not where they are. They tell you life is complex and you have to suffer to give of yourself, and that's not true. Life is very simple, and if you simply live and simply learn to play, you'll really give.'' Today, with these words, I hope to reciprocate Barry's spirit of giving with a token of gratitude for his inspiring contribution to jazz, a great national treasure, just like him.

INTRODUCTION OF BIF/SAIF BILL

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1995

Mrs. ROUKEMA. Mr. Speaker, today, I, together with my colleagues are introducing legislation that will have a monumental impact on the financial services industry. Its purpose is to provide a comprehensive reform of the deposit insurance funds and will merge the bank and thrift charters. This BIF/SAIF legislation reflects the hard work of a bipartisan working group of the Financial Institutions Subcommittee, which I chair, that was developed over the last several months.

Since the spring, the subcommittee has held three hearings on BIF/SAIF. The last of these hearings brought forth strong support for a comprehensive approach to the problem, which this legislation being marked up today represents.

In brief, the legislation provides a financial solution to the problem of the insurance funds similar to that proposed by the administration. It recapitalizes the SAIF and through the use of a one-time special assessment of SAIF members. It spreads the FICO costs proportionately among all members of the FDIC as of the date of enactment. In addition, it merges the BIF/SAIF.

What is critical here, is that it goes beyond the administration-sponsored financial fix and merges the bank and thrift charters on January 1, 1998, requiring thrifts to convert to banks. It tackles the complex tax treatment of bad debt reserves by advocating a fresh start approach, to avoid giving thrifts another lump sum obligation that would amount to billions of dollars. Finally, it provides for refunds for FDIC funds in excess of the designated reserve ratio.

It is my intention, given the requirements of the reconciliation process as determined by Banking Committee Chairman LEACH, that the movement of the BIF/SAIF legislation will be a two-track process. A markup of a similar provision in the Full Committee's markup of its budget reconciliation package is based on staff recommendations and is revenue-driven. My legislation will move in regular order and is based solely on crafting good public policy. In this regard, it is my commitment to continue to refine this legislation through a markup at subcommittee and hopefully at the full committee as it moves through the process in regular order to insure that there is a final legislative solution during this congressional session.

Tuesday, September 19, 1995

Daily Digest

HIGHLIGHTS

Senate passed Family Self-Sufficiency Act.

House passed CAREERS bill.

Senate

Chamber Action

Routine Proceedings, pages S13749–S13882

Measures Introduced: Three bills and two resolutions were introduced, as follows: S. 1259–1261, and S. Res. 173 and 174. **Page S13842**

Measures Passed:

Family Self-Sufficiency Act: By 87 yeas to 12 nays (Vote No. 443), Senate passed H.R. 4, to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, after taking action of further amendments proposed thereto, as follows: **Pages S13770–S13804**

Adopted:

(1) Dole Modified Amendment No. 2280, of a perfecting nature, as amended. **Page S13772**

(2) By 50 yeas to 49 nays (Vote No. 441), Gramm Modified Amendment No. 2615 (to Amendment No. 2280), to reduce the Federal welfare bureaucracy. **Pages S13771–72**

(3) By 87 yeas to 12 nays (Vote No. 442), Dole/Daschle Modified Amendment No. 2683 (to Amendment No. 2280), to make certain modifications. **Pages S13771–72, S13776–78**

(4) Domenici (for Dole) Amendment No. 2692 (to Amendment No. 2280), to make technical corrections. **Pages S13770–71**

During consideration of this measure today, Senate also took the following action:

By unanimous-consent agreement, all remaining pending amendments were withdrawn.

Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint conferees on the part of the Senate. **Pages S13802–03**

Political/Religious Prisoners: Senate agreed to S. Res. 174, expressing the sense of the Senate that the Secretary of State should aggressively pursue the release of political and religious prisoners in Vietnam. **Page S13872**

Israeli-Palestinian Declaration of Principles: Committee on Foreign Relations was discharged from further consideration of S. Res. 171, expressing the sense of the Senate with respect to the second anniversary of the signing of the Israeli-Palestinian Declaration of Principles, and the resolution then agreed to. **Pages S13872–74**

Agriculture Appropriations, 1996: Senate continued consideration of 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, taking action on amendments proposed thereto, as follows: **Pages S13752–70, S13804–10, S13814–40**

Adopted:

(1) Committee amendment beginning on page 83, line 4, through page 84, line 2. (By 38 yeas to 61 nays (Vote No. 444), Senate earlier failed to table the amendment.) **Pages S13756–70, S13804–06, S13810**

(2) Brown Modified Amendment No. 2688 (to committee amendment beginning on page 83, line 4, through page 84, line 2), to prohibit the use of funds for salaries and expenses of Department of Agriculture employees who carry out a price support or production adjustment program for peanuts. **Pages S13806–10**

(3) Bumpers (for Bingaman) Amendment No. 2693, to reduce the energy costs of Federal facilities for which funds are made available under this Act. **Page S13806**

(4) McCain Amendment No. 2694, to provide funds for American Indian postsecondary education at tribally controlled community colleges in the United States. **Pages S13816–17**

(5) Kerry Amendment No. 2695, to eliminate subsidies for the export of minks. (By 18 yeas to 78

nays (Vote No. 445), Senate earlier failed to table the amendment.) **Pages S13817–20**

(6) Stevens Amendment No. 2696, to eliminate funding for the salary of the Under Secretary for Natural Resources and the Environment. (By 42 yeas to 51 nays (Vote No. 446), Senate earlier failed to table the amendment.) **Pages S13820–30**

(7) Cochran (for Dorgan/Conrad) Amendment No. 2700, to express the sense of the Senate on United States-Canadian cooperation for relief of flooding in Devils Lake Basin, North Dakota. **Pages S13836–39**

(8) Cochran (for Dole) Amendment No. 2701, to fund the Grain Marketing Research Laboratory in Manhattan, Kansas. **Pages S13836–39**

(9) Cochran (for Abraham) Amendment No. 2702, to limit certain unnecessary advisory committees. **Pages S13836–39**

(10) Cochran (for Gorton/Murray) Amendment No. 2703, to delay final regulations governing the export of State and Federal logs in the Western United States. **Pages S13836–39**

(11) Cochran (for Bennett) Amendment No. 2704, to increase funding for the Colorado River Basin Salinity Control Program. **Pages S13836–39**

(12) Cochran (for Feingold) Amendment No. 2705, to clarify that tourist and other recreational businesses located in rural communities are eligible for loans under the Rural Business and Cooperative Development Service's Business and Industry Loan Guarantee Program. **Pages S13836–39**

(13) Cochran (for Leahy) Amendment No. 2706, to increase funds for special grants for agriculture research. **Pages S13836–39**

Rejected:

Bryan/Bumpers Amendment 2691, to eliminate funding to carry out the market promotion program. (By 59 yeas to 41 nays (Vote No. 440), Senate tabled the amendment.) **Pages S13752–56**

Pending:

Feingold/McCain Amendment No. 2697, to prohibit the use of appropriated funds for the special research grants program that are not subject to a competitive approval process. **Pages S13830–33**

Conrad Amendment No. 2698, to provide that producers of a 1995 crop are not required to repay advance deficiency payments made for the crop if the producers have suffered a loss due to weather or related condition. **Pages S13833–34**

Bumpers Amendment No 2699, to reduce funding to carry out the market promotion program and to target assistance to small companies. **Page S13834**

A unanimous-consent agreement was reached providing for further consideration of the bill and amendments pending thereto, on Wednesday, September 20, 1995. **Page S13830**

Nominations Received: Senate received the following nominations:

Glenn Dale Cunningham, of New Jersey, to be United States Marshal for the District of New Jersey for the term of four years.

Charles A. Hunnicutt, of Georgia, to be an Assistant Secretary of Transportation.

James Charles Riley, of Virginia, to be a Member of the Federal Mine Safety and Health Review Commission for a term of six years expiring August 30, 2000.

4 Air Force nominations in the rank of general.

3 Army nominations in the rank of general.

A routine list in the Army, Navy, and Coast Guard. **Pages S13874–82**

Messages From the House: **Page S13841**

Measures Referred: **Page S13841**

Communications: **Page S13841**

Petitions: **Page S13841**

Executive Reports of Committees: **Pages S13841–42**

Statements on Introduced Bills: **Pages S13842–65**

Additional Cosponsors: **Pages S13865–66**

Amendments Submitted: **Pages S13866–68**

Authority for Committees: **Pages S13868–69**

Additional Statements: **Pages S13869–74**

Record Votes: Seven record votes were taken today. (Total—446)

Pages S13756, S13772, S13802, S13805, S13820, S13829–30

Recess: Senate convened at 9 a.m., and recessed at 10:10 p.m., until 9:15 a.m., on Wednesday, September 20, 1995. (For Senate's program, see the remarks of the Acting Majority Leader in today's RECORD on page S13836.)

Committee Meetings

(Committees not listed did not meet)

BUSINESS MEETING

Committee on Environment and Public Works: Committee ordered favorably reported the nomination of Greta Joy Dicus, of Arkansas, to be a Member of the Nuclear Regulatory Commission.

Also, committee completed its review of certain spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the congressional budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, and agreed on recommendations which it will make thereon to the Committee on the Budget.

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 Frank Costanza, Pilot, Hostage Response Team, and Eugene F. Glenn, former Special Agent in Charge (Salt Lake City, Utah), both of the Federal Bureau of Investigation, and Duke Smith, Deputy U.S. Marshal, United States Marshal Service, all of the Department of Justice.

Hearings continue tomorrow.

TAX ISSUES IMPACTING SMALL BUSINESS

Committee on Small Business: Committee held hearings to examine certain tax issues affecting small business, focusing on capital gains tax reform, estate tax relief, pension simplification, classification of independent contractors, increasing the expensing provision, and the deductibility of health insurance, and related provisions of S. 1086, American Family-Owned Business Act, and S. 959, Capital Formation Act, receiving testimony from Senators Hatch and Lieberman; Tom Wiggans, Connective Therapeutics, Palo Alto, California, on behalf of the Biotechnology Industry Organization; James L. Mann, SunGard Data Systems Incorporated, Wayne, Pennsylvania, on behalf of the American Business Conference; Ann Parker Maust, Parker-Maust Corporation, Arcadia, Florida, on behalf of the National Federation of Independent Business; Michael O. Roush, National Federation of Independent Business, Washington, D.C.; Phyllis Gardner, Max, Nebraska, on behalf of the National Cattlemen's Association; and Charles E. Kruse, Missouri Farm Bureau, Jefferson City.

Hearings continue tomorrow.

INTELLIGENCE

Committee on Intelligence: Committee met in closed session to consider certain intelligence matters.

Committee recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 16 public bills, H.R. 2351–2366, were introduced. **Page H9245**

Reports Filed: Reports were filed as follows:

H.R. 2288, to amend part D of title IV of the Social Security Act to extend for 2 years the deadline by which States are required to have in effect an automated data processing and information retrieval system for use in the administration of State plans for child and spousal support (H. Rept. 104–250);

H. Res. 223, waiving points of order against the conference report on H.R. 1817, making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1996 (H. Rept. 104–251);

H. Res. 224, providing for the consideration of H.R. 2274, to designate the National Highway System (H. Rept. 104–252); and

H. Res. 225, providing for the consideration of H.R. 927, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 (H. Res. 253). **Pages H9220, H9244–45**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designates Representative Deal of Georgia to act as Speaker pro tempore for today. **Page H9137**

Recess: House recessed at 9:43 a.m. and reconvened at 10 a.m. **Page H9142**

Alaska Native Claims Settlement Act: By a yea-and-nay vote of 392 yeas to 10 nays, Roll No. 665, the House voted to suspend the rules and agree to the Senate amendment to H.R. 402, to amend the Alaska Native Claims Settlement Act—clearing the measure for the President. **Pages H9150–51**

Suspensions: House voted to suspend the rules and pass the following measures debated on Monday, September 18:

Shenandoah Valley National Battlefields: H.R. 1091, amended, to improve the National Park System in the Commonwealth of Virginia (passed by a yea-and-nay vote of 377 yeas to 31 nays, Roll No. 666); and **Page H9151**

Administration of certain Presidio properties: H.R. 1296, amended, to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayers (passed by a yea-and-nay vote of 317 yeas to 101 nays, Roll No. 668). **Pages H9152–53**

Suspensions Failed: House failed to suspend the rules and pass the following measures debated on Monday, September 18:

National Park System reform: H.R. 260, amended, to provide for the development of a plan and a management review of the National Park System and to reform the process by which areas are considered for

addition to the National Park System (failed by a yea-and-nay vote of 180 yeas to 231 nays, Roll No. 667); and **Page H9152**

Texas low-level radioactive waste disposal: H.R. 558, to grant the consent of the Congress to the Texas Low-Level Radioactive Waste Disposal Compact (failed to pass by a yea-and-nay vote of 176 yeas to 243 nays, Roll No. 669). **Page H9153**

Workforce Development and Literacy Reform: By a recorded vote of 345 ayes to 79 noes, Roll No. 671, the House passed H.R. 1617, to consolidate and reform workplace development and literacy programs. **Pages H9153–H9220**

Agreed To:

The Goodling amendments en bloc that change the Connie Lee privatization provisions; extend Sallie Mae phase-out by 2 years; add State entities to the list of people that are part of the collaborative process to ensure that State Boards of Education can participate in the collaborative process; add language to the youth block grant title to ensure that Federal funds are used to supplement, not supplant, State and local funds; and permit States to change the financial distribution of funds within the State for vocational rehabilitation services; **Pages H9165–69**

The Goodling technical amendment; **Page H9169**

The Mink amendment as amended by the Goodling amendment that requires States to include in their workforce development and literacy plan a description of how the State will serve single parents, displaced homemakers, and single pregnant women and programs that promote the elimination of sex bias, and provides that nothing should be construed to mandate an amount to be set aside for those purposes; **Pages H9187–91**

The Sawyer amendment that provides that whoever under State law is authorized to control the funds for a particular program is authorized to develop procedures to resolve disputes over the content of the local plan; **Pages H9191–92**

The Traficant amendment that expresses the sense of Congress that equipment and products purchased with authorized bonds should be American-made; **Page H9193**

The Gene Green of Texas amendment that strikes the vocational rehabilitation provisions (title V) (agreed to by a recorded vote of 231 ayes to 192 noes); and **Pages H9205–14**

The committee amendment in the nature of a substitute made in order by the rule (agreed to by a division vote of 66 ayes to 43 noes). **Page H9219**

Rejected:

The Kildee amendment that sought to strike language permitting Governors to transfer funds between the youth and adult block grants; **Pages H9178–81**

The Kildee amendment that sought to prohibit CAREERS grants to any State that does not maintain State vocational education at the previous year's level; and **Page H9187**

The Woolsey amendment that sought to increase authorizations for youth job training grants to $3 billion, adult job training grants to $3.225 billion; and adult education and family literacy grants to $597 million. **Pages H9192–93**

The following amendments were offered but subsequently withdrawn:

The Williams amendment that sought to provide that in the development of the State plan, the State agency responsible under the State constitution for education policy would assume the lead role in developing that portion of the plan; **Pages H9181–82**

The Owens amendment that sought to impose financial penalties for misexpenditures of funds; and **Pages H9182–83**

The Klink amendment that sought to express the sense of Congress that the Federal Government should transfer all of the functions of the workforce preparation and development programs to the States and local communities and that Federal tax rates should be reduced by the amount saved by relinquishing such Federal responsibilities. **Pages H9218–19**

The Clerk was authorized to make technical corrections and conforming changes in the engrossment of the bill. **Page H9220**

H. Res. 222, the rule under which the bill was considered, was agreed to earlier by a yea-and-nay vote of 388 yeas to 2 nays, Roll No. 664. **Pages H9145–50**

Bill Re-referred: The bill H.R. 2202, the Immigration in the National Interest Act of 1995, was re-referred to the Committee on the Judiciary, and in addition to the Committees on Agriculture, Banking and Financial Services, Economic and Educational Opportunities, Government Reform and Oversight, National Security, and Ways and Means. **Page H9220**

Late Report: Committee on the Judiciary received permission to have until midnight tonight to file a report on H.R. 2277, to abolish the Legal Services Corporation and provide the States with money to fund qualified legal services. **Page H9220**

Amendments Ordered Printed: Amendments ordered printed pursuant to the rule appear on pages H9246–47.

Quorum Calls—Votes: Six yea-and-nay votes and two recorded votes developed during the proceedings of the House today and appear on pages H9149–50, H9150–51, H9151, H9152, H9152–53, H9153, H9213–14, and H9219–20. There were no quorum calls.

Adjournment: Met at 9 a.m. and adjourned at 9:19 p.m.

Committee Meetings

DISTRICT OF COLUMBIA APPROPRIATIONS

Committee on Appropriations: Subcommittee on the District of Columbia began markup of appropriations for fiscal year 1996.

BUDGET RECONCILIATION

Committee on Banking and Financial Services: Approved Budget Reconciliation recommendations.

RECONCILIATION ISSUES

Committee on Commerce: Ordered transmitted to the Committee on the Budget for inclusion in Omnibus Budget Reconciliation as amended the Department of Commerce Abolition.

DEPARTMENT OF COMMERCE DISMANTLING ACT; DEBT COLLECTION IMPROVEMENT ACT

Committee on Government Reform and Oversight: Subcommittee on Government Management, Information, and Technology approved for full Committee action amended the following bills: Title I of H.R. 1756, Department of Commerce Dismantling Act; and H.R. 2234, Debt Collection Improvement Act of 1995.

MISCELLANEOUS MEASURES

Committee on International Relations: Ordered reported the following bills: H.R. 2070, to provide for the distribution within the United States of the U.S. Information Agency film entitled ''Fragile Ring of Life''; and H.R. 2348, to authorize the transfer of naval vessels to certain foreign countries.

IMMIGRATION IN THE NATIONAL INTEREST ACT

Committee on the Judiciary: Began markup of H.R. 2202, Immigration in the National Interest Act of 1995.

Will continue tomorrow.

BUDGET RECONCILIATION

Committee on Resources: Began markup of Budget Reconciliation recommendations.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks, Forests and Lands held a hearing on the following bills: H.R. 1129, to amend the National Trails Systems Act to designate the route from Selma to Montgomery as a National Historic Trail; and H.R. 924, to prohibit the Secretary of Agriculture from transferring any National Forest System lands in the Angeles National Forest in California out of Federal ownership for use as a solid waste landfill. Testimony was heard from Senator Boxer; Representatives McKeon, Moorhead, Beilenson, Lewis of Georgia, and Hilliard; Gray Reynolds, Deputy Chief, Forest Service, USDA; Katherine H. Stevenson, Associate Director, Cultural Resources, Stewardship and Partnerships, National Park Service, Department of the Interior; and public witnesses.

NATIONAL HIGHWAY SYSTEM DESIGNATION ACT

Committee on Rules: Granted, by voice vote, an open rule providing 1 hour of debate on H.R. 2274, National Highway System Designation Act of 1995. The rule waives section 302(f) (prohibiting consideration of legislation providing new budget authority in excess of a committee's allocation) of the Congressional Budget Act of 1974 against consideration of the bill. The rule makes in order an amendment in the nature of a substitute as an original bill for purpose of amendment consisting of the text of H.R. 2349. The substitute shall be considered by title rather than by section, and the first two sections and each title shall be considered as read. The rule waives section 302(f) of the Congressional Budget Act, clause 5(a) of rule XXI (prohibiting appropriations in a legislative bill), and clause 1(q)(10) of rule X (prohibiting inclusion in a general roads bill of provisions addressing specific roads) against the amendment in the nature of a substitute.

The rule provides for the consideration of the manager's amendment printed in the Rules Committee report, which is considered as read, not subject to amendment or to a division of the question, and is debatable for 10 minutes equally divided between the proponent and an opponent. All points of order against the amendment are waived. If adopted, the amendment is considered as part of the base text for further amendment purposes.

The rule authorizes the Chair to accord priority in recognition to Members who have pre-printed their amendments in the CONGRESSIONAL RECORD. Finally, the rule provides one motion to recommit, with or without instructions. Testimony was heard from Chairman Shuster and Representatives Petri and Rahall.

CONFERENCE REPORT—MILITARY CONSTRUCTION APPROPRIATIONS

Committee on Rules: Granted, by a voice vote, a rule waiving all points of order against the conference report to accompany 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,

1995, and against its consideration. Testimony was heard from Chairman Livingston and Representatives Vucanovich, Obey, and Hefner.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY ACT

Committee on Rules: Granted, by voice vote, a modified closed rule providing 2 hours and 30 minutes of debate on H.R. 927, Cuban Liberty and Democratic Solidarity Act of 1995. The rule waives clause 2(l)(2)(B) of Rule XI (requiring the publication of roll call votes in committee reports) against consideration of the bill.

The rule makes in order as an original bill for the purpose of amendment under the five minute rule as an amendment in the nature of a substitute the text of H.R. 2347. The rule waives clause 7 of rule XVI (prohibiting consideration of nongermane amendments) against consideration of that amendment in the nature of a substitute.

The rule provides that prior to the consideration of any other amendment, it shall be in order to consider a further amendment in the nature of a substitute if offered by Representative Hamilton of Indiana or his designee; debatable for 1 hour, equally divided between a proponent and an opponent; and provides that the amendment be considered as read and shall not be subject to amendment.

The rule makes in order only those amendments printed in part 1 of the Rules Committee report, in the order specified; by Members designated in the report; debatable for the time specified in the report, equally divided between a proponent and an opponent; and provides that the amendment be considered as read.

The rule permits the Chairman of the Committee of the Whole to postpone and cluster votes on amendments. Finally, the rule provides one motion to recommit, with or without instructions. Testimony was heard from Chairman Gilman and Representatives Burton of Indiana, Ros-Lehtinen, Hamilton, Torricelli, Menendez, Skaggs, and Deutsch.

BUDGET RECONCILIATION RECOMMENDATIONS: REVENUE ITEMS

Committee on Ways and Means: Continued markup of Budget Reconciliation recommendations: revenue items.

Will continue tomorrow.

Joint Meetings

GOVERNMENT OPERATIONS DURING A FUNDING HIATUS

Joint Hearing: Senate Committee on the Budget concluded joint hearings with the House Committee on the Budget to examine Government operations in the event of a lack of appropriations and how the Federal Government may increase the statutory limit on the public debt, after receiving testimony from Alice M. Rivlin, Director, Office of Management and Budget; and Walter Dellinger, Assistant Attorney General, Office of Legal Counsel, Department of Justice.

VETERANS PROGRAMS

Joint Hearing: Senate Committee on Veterans' Affairs concluded joint hearings with the House Committee on Veterans' Affairs on the legislative recommendations of the American Legion, after receiving testimony from Daniel Ludwig, American Legion, Washington, D.C., who was accompanied by several of his associates.

APPROPRIATIONS—INTERIOR

Conferees met to resolve the differences between the Senate- and House-passed versions of H.R. 1977, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996.

APPROPRIATIONS—DEFENSE

Conferees met in closed session to resolve the differences between the Senate- and House-passed versions of H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, but did not complete action thereon, and recessed subject to call.

UNITED STATES-TURKISH RELATIONS

Commission on Security and Cooperation in Europe: Commission concluded hearings to examine issues affecting United States-Turkish relations, including human rights and the Kurdish situation, after receiving testimony from John H.F. Shattuck, Assistant Secretary for Human Rights and Humanitarian Affairs, and Marshall Adair, Deputy Assistant Secretary of State for European and Canadian Affairs, both of the Department of State; and Alan Makovsky, Washington Institute for Near East Policy, and Christopher Panico, Human Rights Watch/Helsinki, both of Washington, D.C.

COMMITTEE MEETINGS FOR WEDNESDAY, SEPTEMBER 20, 1995

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Banking, Housing, and Urban Affairs, business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67,

setting forth the congressional budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, and to mark up proposed legislation to authorize funds for the Export Import Bank's tied aid program, 10 a.m., SD–538.

Committee on Energy and Natural Resources, business meeting, to consider pending calendar business, 9:30 a.m., SD–366.

Committee on the Judiciary, to hold hearings on S. 483, to amend Federal copyright provisions regarding preemption of laws concerning duration of copyrights, 10 a.m., SD–226.

Subcommittee on Terrorism, Technology, and Government Information, to continue hearings to examine certain Federal law enforcement actions with regard to the 1992 incident at Ruby Ridge, Idaho, 2 p.m., SD–G50.

Committee on Labor and Human Resources, business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, to mark up H.R. 1180, to provide for health performance partnerships, and S. 1221, to authorize appropriations for the Legal Services Corporation, and to consider pending nominations, 9:30 a.m., SD–430.

Committee on Small Business, to continue hearings to examine tax issues impacting small business, 2:30 p.m., SR–428A.

Committee on Veterans Affairs, business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, and to consider other pending business, 10 a.m., SR–418.

Committee on Indian Affairs, to hold oversight hearings on the implementation of Title III of the National Indian Forest Resources Management Act (P.L. 101–630); and to consider the nomination of Paul M. Homan, of the District of Columbia, to be Special Trustee, Office of Special Trustee for American Indians, Department of the Interior, 9:30 a.m., SR–485.

Select Committee on Intelligence, to hold hearings to examine intelligence roles and missions, 9:30 a.m., SD–G50.

Committee on Agriculture, to consider Budget Reconciliation, 9:30 a.m., 1300 Longworth.

Committee on Commerce, to mark up a measure entitled "Transformation of the Medicaid Program," 10 a.m., 2123 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Human Resources and Intergovernmental Relations, to continue hearings on H.R. 2086, Local Employment and Flexibility Act of 1995, (Part 2) 10 a.m., 2247 Rayburn.

Committee on International Relations, hearing on the Middle East Peace Process, 10 a.m., 2172 Rayburn.

Committee on the Judiciary, to continue markup of H.R. 2202, Immigration in the National Interest Act of 1995, 9:30 a.m., 2141 Rayburn.

Committee on National Security, to mark up reconciliation recommendations, 11 a.m., 2118 Rayburn.

Committee on Resources, hearing on H.R. 2275, Endangered Species Conservation and Management Act of 1995, 11 a.m., 1324.

Committee on Science, Subcommittee on Energy and Environment, hearing on Stratospheric Ozone: Myths and Realities, 9:30 a.m., 2318 Rayburn.

Committee on Veterans' Affairs, to mark up the following: H.R. 2352, Veterans' Compensation Cost-of-Living Adjustment Act of 1995; a measure including provisions on VA housing programs, USERRA and the Department of Labor's VETS program; and H.R. 2219, to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs, 10 a.m., 334 Cannon.

Committee on Ways and Means, to continue markup of Budget Reconciliation recommendations, time to be announced, 1100 Longworth.

Next Meeting of the **SENATE**

9:15 a.m., Wednesday, September 20

Senate Chamber

Program for Wednesday: After the recognition of one Senator for a speech and the transaction of any morning business (not to extend beyond 9:45 a.m.), Senate will resume consideration of H.R. 1976, Agriculture Appropriations, 1996.

Next Meeting of the **HOUSE OF REPRESENTATIVES**

10 a.m., Wednesday, September 20

House Chamber

Program for Wednesday: Consideration of H.R. 2274, designating the National Highway System (open rule, 1 hour of debate);

Conference report on H.R. 1817, Military Construction Appropriations for Fiscal Year 1996 (rule waiving points of order);

Send to conference H.R. 1530, Defense Authorization Act; and

Consideration of rule and general debate on H.R. 927, Cuban Liberty and Democratic Solidarity Act of 1995 (modified closed rule, 2 hours and 30 minutes of general debate).

Extensions of Remarks, as inserted in this issue

HOUSE

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