THE LEGACY OF CHERNOBYL

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1996

Mr. BONIOR. Mr. Speaker, it was a silent killer, and people will continue to feel its direct effects well into the next millennium. Millions of lives have been unalterably changed by it. Sickness, death and dispossession arrived, stayed, and have yet to leave.

On April 26, 1986, reactor No. 4 at the Chernobyl Atomic Energy Station ignited, causing an explosion, fire, and partial meltdown of the reactor core. Ten years have now passed since that terrible day. Today, the ghosts of history's worst nuclear disaster can't be avoided in the pines and the farmland, now overgrown, that surround Chernobyl. The city of Pripyat, once housing 40,000, sits empty. Dozens of villages have been abandoned.

The 134,000 people who were evacuated from the area won't be returning to their homes. An area the size of Rhode Island is now a dead zone. The health effects are equally astonishing. Sadly, cancer among children has tripled. Ukraine now has the highest rate of infertility in the world. Birth defects have nearly doubled.

Mr. Speaker, our Government, many charitable organizations, and individuals have contributed to efforts to recover from the disaster. We must continue those efforts, and we must enhance them for the people of Ukraine. Ukraine faces many challenges, not the least of which are the human and economic costs of coping with the effects of Chernobyl.

Today we must pause to remember those who lost their lives and those whose lives were changed forever. We learned many lessons from that tragedy 10 years ago, and now we must move forward and help our friends in Ukraine prepare for the future.

REGULATORY FAIR WARNING ACT

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1996

Mr. GEKAS. Mr. Speaker, today I am introducing the Regulatory Fair Warning Act along with 12 cosponsors. This legislation codifies the principles of due process, fair warning and common sense that were always intended to be required by the Administrative Procedure Act [APA]. The bill requires that an agency give the regulated community adequate notice of its interpretation of a rule. Agencies will be deterred from pursuing penalties based on rules or policies which were either unclear or unavailable to the regulated community.

Specifically, the Regulatory Fair Warning Act would prohibit a civil or criminal sanction from being imposed by an agency or court if the agency or court finds that the rule or related policies published in the Federal Register failed to give the defendant fair warning of the required conduct; or the agency or court finds that the defendant, prior to the alleged violation, reasonably and in good faith determined, based upon information publish in the Federal Register or written statements made by an appropriate agency official, that the defendant was in compliance.

In reaching its conclusion regarding this matter, a court could not give deference to an agency's interpretation of a rule which was not timely published in the Federal Register, or otherwise made available to the defendant.

I am pleased to introduce this simple yet necessary measure. Without this fundamental protection, businesses must often operate in an atmosphere of uncertainty as to whether they are in compliance with an agency's most recent interpretation or reinterpretation of its regulations. If and when the day arrives when an agency chooses to enforce its latest interpretation against a regulated business, the business owner has two alternatives: First, roll the dice and hire a Washington lawyer to fight an unknown wrong; or Second, pay the penalty, regardless of culpability.

Adoption of this legislation will encourage agencies to keep the regulated public aware of what their regulations require of them. Before pursuing an enforcement action, an agency will need to consider whether the defendant has acted in good faith and whether the agency is acting within the confines of due process established by the APA. Nothing in this measure is intended to weaken the enforcement powers of the executive branch. This is a moderate measure, meant to provide a minimum of security and predictability to the regulated community and to improve the relationship between agencies and private citizens.

MEDICAL SAVINGS ACCOUNTS: WHY THEY ARE TAX BREAKS FOR THE UPPER INCOME AND BAD NEWS FOR WORKING AMERICANS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1996

Mr. STARK. Mr. Speaker, medical savings accounts are bad health policy. They are bad tax policy.

The following analysis from the Center on Budget and Policy Studies explains why:

WHO WILL USE MEDICAL SAVINGS ACCOUNTS AND WHY WILL THEY USE THEM?

(By Iris J. Lav)

Prior analysis of Medical Savings Account proposals has shown that MSAs would primarily benefit those at high income levels because MSAs create opportunities to accumulate tax-sheltered funs for purposes other than medical costs. Higher-income taxpayers would be most likely to take advantage of these tax shelter opportunities because the tax benefits are worth more to taxpayers in higher tax brackets and because such taxpayers can afford to pay substantial out-of-pocket medical costs if they choose to leave the tax-advantaged funds on deposit in the MSAs or if funds accumulated in the MSAs are insufficient to cover their medical bills.

Recently, the Joint Committee on Taxation has released data estimating what proportion of people in each income class would make use of Medical Savings Accounts, finding that a large portion of the participants would be middle class. These data have been used to bolster claims that MSAs would benefit middle class taxpayers as well as the wealthy. But the Joint Tax data are not incompatible with the conclusion that higher-income taxpayers would be the primary beneficiaries of MSAs.

As the text of the Joint Tax analysis makes clear, participation in an MSA may not be voluntary. Taxpayers who participate in MSAs because their employers offer no other option for health care coverage may not benefit from their participation and may become worse off as a result of their employers' switch from offering a conventional insurance policy or a managed care plan to a plan that offers only a high-deductible insurance plan with an MSA.

JOINT TAX HIGHLIGHTS BENEFITS TO COMPANIES, NOT EMPLOYEES

The Joint Committee notes that its estimate is based ''on the assumption that a large proportion of small- and medium-sized companies might potentially benefits from the MSA proposal and offer such plans to their employees.'' To assume that a company would benefit generally means that the company would pay less for its employees' insurance coverage. This suggests two further assumptions that likely underlie the Joint Tax analysis.

Small- and medium-sized companies that do not now offer any health insurance would not begin to offer high-deductible coverage with MSAs as a result of this legislation. Such an assumption would result in increased rather than decreased costs for the companies and thus would be incompatible with the statement that the companies would benefit. The analysis must instead assume that employers currently offering conventional coverage or managed care plans would begin to offer high-deductible insurance with MSAs.

Furthermore, companies would receive a cost-saving benefit from such a switch only if the total cost of the high-deductible insurance including the MSAs would be less than the cost of the insurance the company currently offers. Thus the small- and medium-sized companies that switch to high-deductible insurance with MSAs likely would not put the entire difference between the conventional insurance premium and the high-deductible insurance premium into their employees' MSAs. Companies would realize cost savings from the switch only if they choose to keep, as a profit-enhancing savings, at least a portion of the difference in premiums between the two types of plans.

LOW- AND MODERATE INCOME TAXPAYERS MAY PARTICIPATE IN MSAS INVOLUNTARILY

The Joint Committee on Taxation analysis goes on to say that ''Employee wages for small- and medium-sized are weighted toward the lower- and middle-income classes. As a result, the revenue estimate assumes that taxpayers in the lower- and middle-income classes are more likely to be offered a high deductible plan coupled with an MSA as their primary health plan.'' (Emphasis added.) Although the Committee's use of the term ''primary'' is ambiguous, it suggests some further issues.

Low- and middle-income employees may be reluctant voluntarily to accept high-deductible insurance with MSAs, because they usually do not have the resources to pay large out-of-pocket health care costs. An assumption that substantial numbers of such employees would participate suggests that their employers might offer only high-deductible insurance with MSAs and would no longer offer either a conventional fee-for-service policy or a managed care plan. For low- and moderate-income employees who consume significant amounts of preventive care for their young families through a health maintenance organization, for example, or have chronic health problems that require continuing care, the restriction of choice to a high-deductible plan could substantially degrade their ability to afford necessary health care services.

INADEQUATE MSA DEPOSITS TRANSFER LARGE COSTS TO MODERATE-INCOME EMPLOYEES

Low- and middle-income employees are likely to face high out-of-pocket costs under the high-deductible insurance plans with MSAs because the MSA contributions made by their employers are likely to fall short of the annual deductible amounts under those insurance plans. In fact, employers are unlikely to be able to afford to deposit the full deductible amount. Consider the following. A company may currently offer its employees family coverage under a conventional insurance policy and pay an annual premium of $5,200 for that coverage. If the company switches to offering a high-deductible plan with an MSA, the annual premium for the high-deductible insurance policy would be approximately $3,900. These costs assume the insurance plans are comparable except that the conventional coverage includes a $200 deductible while the high-deductible plan has a $3,000 deductible. Because the company's annual premiums savings from switching to the high-deductible insurance plan is only $1,300 per family ($5,200 minus $3,900), the company is highly unlikely to be willing to deposit $3,000—the full amount of the deductible—into the employee's MSA. In addition, employers are likely to keep some of the difference as a cost-saving benefit to the company. Thus low- and middle-income employees likely would have significantly less than half of their annual deductible amount—and most likely no more than one-third of the deductible—deposited into MSAs by their employers and thereby available to meet ongoing health care costs.

Moreover, nothing in this bill requires employers to make any deposits to MSAs as a condition of offering high-deductible insurance. Once small- and medium-sized employers shift to offering only high-deductible insurance and no longer offer conventional insurance or managed care plans, they would be free to reduce or eliminate contributions to the MSAs at any time. If that occurred, the low- and moderate-income employees of those companies would be left to finance the entire deductible amounts out of their own pockets. Although the low- and moderate-income employees could make deposits on their own to an MSA, they would receive little or no tax advantage from using MSAs—because they either do not pay income taxes or pay taxes at much lower rates than the higher-income taxpayers who would be the primarily beneficiaries of this MSA legislation.

In short, if low- and moderate-income taxpayers use MSAs in substantial proportions, it will likely be because they have little alternative. And the use of the MSAs with high-deductible health insurance plans is likely both to increase their risk of incurring unaffordable health care costs and reduce their ability to afford adequate levels of health care services for themselves and their families.

ANSWERING AMERICA'S CALL

HON. ED WHITFIELD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1996

Mr. WHITFIELD. Mr. Speaker, I take this opportunity to bring to your attention a special constituent of mine, Kurt Martin, of Bardwell, KY. Kurt is a senior at Carlisle County High School and has been named a national winner in the 1996 Voice of Democracy Program. Kurt is the son of Mr. and Mrs. Rodney Martin of Bardwell.

The Voice of Democracy Program is an annual broadcast script writing scholarship contest. Kurt's winning script entitled ''Answering America's Call'' is an inspiration for all Americans. I would ask that Kurt's entire remarks be printed in the RECORD at this point.

ANSWERING AMERICA'S CALL

(By Kurt Martin)

I raced down the stairs trying to find my shoes as Dad impatiently honked the horn of the van outside. As I tied my shoes at record speed, the phone rang. Out of breath, I answered the phone soon realizing I was in a conversation with a military recruiter for the Marines. Great! I'm late for church, I don't have any idea what songs I'm going to play for the song service, and now I have to stand and make small talk with a military recruiter.

''So, what do you plan to do after high school? he asked rather abruptly.

''Well, I'm planning to go to college,'' I answered as politely as I could, trying to end the conversation quickly.

''Have you ever thought about going to the Marines to gain money for college?'' he asked.

''To tell the truth, I have considered serving in the military, but I hurt my knee. I'm going to have to have surgery in a few weeks.''

''Well, that pretty much counts you out of any military action. I'm sorry about your injury, and I hope your knee gets better. Best of luck to you in the future.''

During church, my mind wandered to the conversation I just had with the Marine recruiter. I has always known that the military was strict about health regulations; but since my knee injury, the subject of serving in the military had never come up. I somehow couldn't come to grips with the idea of not being able to serve my country because of a basketball injury. How can anyone, especially a man, answer America's call when he can't serve in the military? I had read about my kind in history books. If there is another war, the ''real men'' will go risk their lives for our country, while I sit at home selling war bonds.

After pondering the subject for a few minutes, I began to realize exactly what ''America's Call'' is. Even though I may not be able to serve in the military because of my injury, my dedication to my country should not end there. Franklin Roosevelt didn't let a physical handicap keep him from helping his country recover from a major depression.

The confidence of the American people in his leadership ability during World War II got him reelected three times, even though he was confined to a wheelchair.

As a student, I can answer America's call each and every day by preparing myself for the future as I apply myself to my studies. I don't know yet what type of career I will be training for, but whatever it may be, hard work will enable me to make a difference in my profession, my country, and my world. The work ethic that enabled Abraham Lincoln to rise out of poverty to become President will allow our generation to preserve the reputation America has maintained for so long.

Another way to answer America's call is by upholding Christian morals and ethics. When I abstain from premarital sex, drugs, and alcohol I not only take a stand against those vices, but I also become a positive influence on my peers. Whey I fight against violence and corruption, I stand alongside the founding fathers of our country by trying to make America a better place to live.

America may call me to become involved in activities that benefit my neighbors, community, or country. If I volunteer to work at the local nursing home or roadblock for a telethon supporting disabled children, I answer America's call by showing that I care about those who are in need. When I vote for local, state, and national candidates I show that I am concerned about the future leaders of our country.

I can also heed America's call by supporting those who serve or have served in the military. Those men and women deserve all of my support, honor, respect, and appreciation. They need to know that all Americans are striving to keep the freedom that they risked their lives for. This goal will be achieved if we resolve to do as John F. Kennedy advised in his inaugural address, ''Ask not what your country can do for you, ask what you can do for your country.'' Only then can we truly ''Answer America's Call.''

HONORING THE WEST SIDE VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the West Side Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, ''These firemen must have an overwhelming desire to do for others while expecting nothing in return.''

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

GRANTING MOST-FAVORED-NATION TRADE STATUS TO ROMANIA

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1996

Mr. RICHARDSON. Mr. Speaker, I rise to urge my colleagues to give their wholehearted supported to the legislation offered by the gentleman from Illinois [Mr. CRANE] which would grant permanent most-favored-nation [MFN] trade status to Romania. As I am sure you are aware, Romania has been granted MFN for the past 3 years, but it is subject to periodic renewal. It is now time to bring an end to this